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ABSTRACT

This report examines the disability community's efforts to help individuals who have significant disabilities access and maintain employment. It identifies how welfare agencies can learn from and build upon lessons from the disability community. Chapter 1 describes the hard-to-employ (HTE) Temporary Assistance for Needy Families (TANF) population and identifies barriers to employment and how states treat people with disabilities under their TANF systems. Chapter 2 highlights these four employment strategies for increasing employment among people with disabilities: workplace accommodations, supported employment, natural support, and Projects with Industry programs. A discussion of implications for the HTE TANF population follows each strategy. Chapter 3 reviews use of cash and in-kind supports to increase employment and describes four programs from the disability field. Chapter 4 describes types of transitional supports available to TANF recipients and discusses interventions designed to help people with disabilities transition to work and maintain employment. Chapter 5 summarizes these key lessons for the TANF community: expectations are important; the modified "work first" approach to employment can be successful for the HTE population; some clients need ongoing support to remain employed; some need to mix benefits and work indefinitely; and employer involvement is crucial. Appendixes contains a 100-item bibliography and description of rules governing the primary public assistance programs. (YLB)

ED 455 420

EMPLOYING WELFARE RECIPIENTS
WITH SIGNIFICANT BARRIERS TO WORK:

lessons from the DISABILITY FIELD

Prepared for the Annie E. Casey Foundation

Prepared by
The Lewin Group:
Karen N. Gardiner
Michael E. Fishman

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Mike Fishman
Karen Gardiner

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EXECUTIVE SUMMARY

The welfare environment has changed significantly since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. PRWORA repealed the 61-year-old Aid to Families with Dependent Children (AFDC) program and replaced it with Temporary Assistance for Needy Families (TANF). TANF dramatically altered the orientation of the welfare system by replacing unconditional cash support with time-limited benefits. Under TANF, there is a five-year lifetime limit on federally funded benefits (although states can exempt up to 20% of their caseloads),[1] and recipients are required to work after two years, or earlier at state option.

Since PRWORA was implemented, the welfare caseload has changed in at least two ways. First, the number of recipients has declined considerably. According to the U.S. Department of Health and Human Services (DHHS), the number of families and recipients on welfare each declined about 40% since August 1996, when PRWORA became law. The number of families declined from 4.4 to 2.7 million, while the number of individuals fell from 12.2 to 7.3 million (ACF, 1999).[2]

Second, there is concern that the composition of the caseload has changed, and that those still on TANF are "hard to employ." Determining the composition of the caseload is complicated by the fact that, even within the welfare community, there is no common definition of "hard to employ." One way to define this group is by duration of welfare receipt. Research conducted prior to the implementation of PRWORA, for example, found that women who had limited education or no recent work experience when they began receiving welfare were considerably more likely to be on welfare for five or more years than other women (Pavetti, as reported in U.S. House of Representatives, 1998). Another method for determining hard-to-employ TANF recipients is to focus on characteristics that appear to be associated with limited labor force participation. These include less than a high school education, few concrete job skills, physical health problems of the mother or child, mental health problems, substance abuse, and transportation problems. One study found that the probability of employment for 20 or more hours per week declines from about 82% of welfare clients with one of these barriers to 42% of clients with four to six barriers and 6% of clients with seven or more barriers (Danziger et al., 1999).

Regardless of the definition, welfare agencies are faced with the challenge of helping women with multiple barriers enter the workforce. This task is complicated by the fact that welfare agencies have little experience working with hard-to-employ clients. Women with significant barriers were often not required to participate in the Job Opportunities and Basic Skills (JOBS) program, the welfare-to-work program under AFDC (Thompson et al., 1998). Since state welfare agencies have limited experience working with this population, they known little about effective strategies for helping them access and maintain employment.

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[1] States can also provide benefits with their own funds beyond five years.

[2] Whether this decline is the result of PRWORA, the strong economy, or a combination of both is the subject of debate, and will not be addressed in this report.

States are now focusing their attention on the hard-to-employ population. Due to time limits, there is increasing pressure to move clients into work. A strong national economy and ample resources in many states due to TANF surpluses is creating an unprecedented opportunity to serve this population.[3] The question becomes, what steps might states take to help hard-to-employ clients find and sustain employment?

One place to look for answers is the disability field. Like the welfare community, the disability community works with a diverse population. Some individuals with disabilities need few work supports to access and maintain employment. For others, the nature and severity of their disabilities are such that full-time work without intensive supports is unlikely. Some receive Supplemental Security Income (SSI) while others receive Disability Insurance (DI). The disability community has substantial experience in helping people with significant disabilities enter competitive employment. While much remains to be done to help these individuals sustain employment and large numbers of people with disabilities who would like to work are not employed, there are lessons to be learned that are applicable to the hard-to-employ TANF population.

The review of the disability literature is organized around a systems approach to employment. The cluster areas represented in this approach provide a framework for extracting lessons from the disability community. The systems approach is depicted in Figure 1.

Figure 1
Systems Approach to Employment

This approach presumes that at any given time, clients will need a variety of services to find work and remain employed. Some services are employment related, such as training, job search,

[3] The size of each state's federal TANF block grant and maintenance of effort obligation were contingent upon its AFDC caseload in 1994, a year when caseloads were historically high. Because block grants remained fixed and states that meet their TANF work participation requirements must maintain 75% of their 1994 spending, even as caseloads decline, many states are experiencing a surplus of funds. (States that do not meet their TANF work participation requirements must maintain 80% of historic state expenditures.) These funds afford states the opportunity to reinvest in programs to help hard-to-employ clients work towards self-sufficiency.

and work experience. Others are focused on removing specific barriers to employment, such as substance abuse treatment, transportation assistance, or child care. Many women will need cash and in-kind supports, such as food stamps, earned income disregards, and tax credits, to make ends meet. Finally, transitional supports, such as case management and support groups, can help women remain employed and eventually advance in the labor market.

A. Purpose of Report

The purpose of this report is to:

- Examine the disability community's efforts to help individuals with significant disabilities access and maintain employment ; and
- Identify how welfare agencies can learn from and build upon lessons from the disability community.

The disability community has a number of initiatives that fit within each of the service clusters. The interventions are listed in Exhibit ES 1, and are described in detail in the body of the report.

Exhibit ES 1

Workforce Strategies

Service Cluster	Intervention
Employment Services	♦ Workplace accommodations ♦ Supported employment ♦ Natural supports ♦ Specialized job search/placement
Cash and In-kind Supports	♦ Health Benefits Extensions ♦ Earned income exclusions ♦ Plans for Self-Support (PASS) ♦ Ticket to Work
Transitional Supports	♦ Centers for independent living ♦ Case management ♦ Youth transition plans

Barriers to employment are not described as a separate cluster; rather, they are incorporated into the other three sections.

B. Lessons for the TANF Community

The approaches described above could help hard-to-employ TANF clients access and maintain employment. Beyond these discrete approaches, the disability community's experience helping

people with significant barriers to work either enter or re-enter the labor force provides five general lessons for the welfare community.

- ***Lesson 1: Expectations are important.*** The first lesson from the disability community is that expectations can play an important role in encouraging labor force participation. In the disability community, changing expectations on the part of persons with disabilities and their advocates about their ability and desire to work have driven policy and program changes. In the welfare community, expectations have shifted regarding the obligations of single parents with children to work. Viewing work as a viable option for all welfare recipients is a necessary first step toward success.

- ***Lesson 2: A modified "work-first" approach to employment can be successful for the hard-to-employ population.*** The disability community has learned that job readiness models based on a "place-train" approach are more effective than job readiness models based on a "train-place" approach. However, the "place-train" approach involves more than a simple job search program.

- ***Lesson 3: Some clients will need ongoing support to remain employed.*** Placement into employment is the beginning, not the end, of the process. On-going training and support is essential to long-term success.

- ***Lesson 4: Some clients will need to mix benefits and work indefinitely.*** The disability community recognizes that work is an important aspect of adulthood that connects people to their surrounding environments. However, the community also recognizes that work does not always result in self-sufficiency. Many individuals may need to mix work and financial and in-kind supports indefinitely in order meet the needs of daily living.

- ***Lesson 5: Employer involvement is crucial.*** Many of the programs described in this report—workplace accommodations, supported employment, natural supports, specialized job search/placement—are not possible without the active participation of employers. They supply the jobs and the staff to help people with disabilities learn on the job. Employers make the on-the-job accommodations required to facilitate gainful employment. The disability community has made building bridges with employers a priority.

CHAPTER 1: THE CONTEXT

A. Background: The New Welfare Environment

The welfare community has undergone a sea change in thinking regarding welfare clients and employment. The Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (PRWORA) substantially changed the nature of the welfare system by ending the unconditional cash support policy of the Aid to Families with Dependent Children (AFDC) program and replacing it with Temporary Assistance for Needy Families (TANF). Under TANF, federal lifetime benefits are limited to five years[4] and recipients are required to work after two years, or earlier at state option. Thus, welfare recipients must find jobs that enable them not only to leave welfare but also to remain off welfare. In addition, they must find these jobs before exhausting their benefit time limit.

Perhaps the most significant PRWORA change is the devolution of the design, implementation, and management of welfare programs to the states. They determine the underlying philosophy of the program (e.g., work first, human capital development), the population that will be served, the size of the grant, the nature of mandatory activities and what types of sanctions recipients face for not participating. States also determine who to exempt from work, when work starts, how work is defined, and who provides employment and training services and other work supports to TANF recipients.

The new law also affects how welfare agency staff interacts with clients. Under AFDC, caseworkers usually spent a majority of their time on administrative duties (e.g., processing checks, determining eligibility). Under TANF, they must help their clients prepare for a transition to the work force. This might include conducting an assessment of skills or barriers to work, assisting with job searches, referring clients to support service providers, and case management. Hence, PRWORA created an impetus for change among welfare recipients *and* public human services organizations.

To induce states to move aggressively toward connecting TANF recipients with the labor force, PRWORA set minimum participation requirements. In Fiscal Year (FY) 1997, 25% of single parents were required to be engaged in work activities for 20 hours per week; by FY 2002, 50% must be engaged in activities for 30 hours per week. If states do not meet these targets, they face financial penalties.[5] Thus, states have a strong fiscal motive for complying with the TANF legislation.

States have taken a variety of approaches toward facilitating the transition from welfare to work. Some allow clients to spend up to two years in education or training activities. The majority of states, however, have adopted work first policies in which clients are required to participate in job search activities designed to connect them to employment at the earliest possible time. States have had varying success in moving clients into work and off welfare rolls. Nationally, both the

[4] States have the option of providing support beyond five years with their own revenues.

[5] Caseload declines in some states have eliminated work participation requirements.

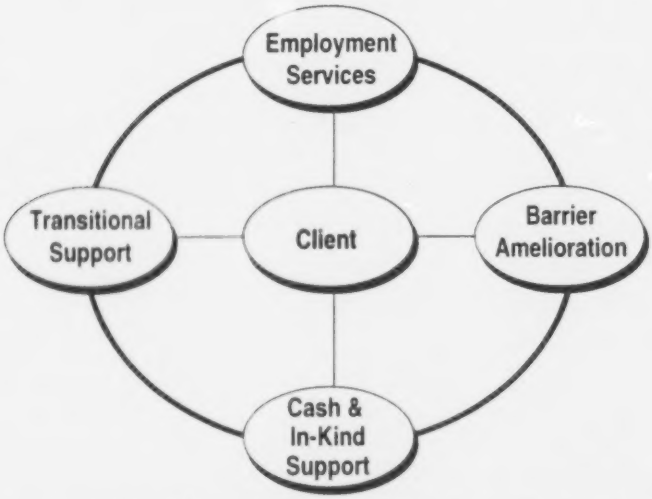
number of families and the number of individuals on welfare have dropped 47% and 49%, respectively, since PRWORA was signed into law. Declines in the number of recipients at the state level range from 89% in Wyoming to 17% in Rhode Island (ACF, 2000a). The respective decreases may reflect state TANF policies. Wisconsin has a strong work-first orientation in which all clients, including those with significant barriers to work, are expected to participate in a work activity to the best of their ability. Rhode Island's education and training-oriented policies and generous earned income disregard enable clients to work and remain on TANF. Time limits and state benefits levels also play a role.

As caseloads decline, there is concern that those still on TANF are "hard to employ," and that they will continue to increase as a proportion of the caseload as the more job-ready recipients leave the program before their time limits expire. While there is no formal definition for this population, researchers generally agree that they possess numerous barriers to employment, such as depression, alcohol or drug dependence, domestic violence, physical health problems, limited work experience, low educational attainment, or low basic skills. For example, Zedlewski (1999) found that over 40% of TANF recipients in 1997 had two or more of these barriers to employment.

Many TANF recipients will need a variety of services to find work and remain employed (See Figure 1).[6] Welfare agencies face the challenge of helping women with multiple barriers enter the workforce. Some barriers are employment related, such as training, job search, and work experience, while others are focused on removing specific barriers to employment, such as substance abuse treatment, transportation assistance, or child care. Many women need cash and in-kind supports, such as food stamps, earned income disregards, and tax credits, to make ends meet. Finally, transitional supports, such as case management, and support groups, can help women remain employed and eventually advance in the labor market.

[6] The systems framework is drawn from The Lewin Group & Johns Hopkins University (1999).

Figure 1
Employment Systems Approach



The disability community has also struggled with how to best help people with disabilities either enter or re-enter the labor force. Like the welfare community, the disability community has undergone a dramatic change in thinking regarding employment. In the past, many individuals with significant disabilities were not expected to work. When they did, often they were placed in sheltered workshops. The Rehabilitation Act Amendments of 1973 (P.L. 93-112), however, acknowledged the employment potential of persons with severe disabilities (Schalock & Kiernan, 1997). Since then, there has been an increasing effort to help persons with significant disabilities enter integrated employment, defined as jobs where the employee is paid a commensurate wage for full-time or part-time work and most of the co-workers are persons without disabilities.

Like welfare clients, many people with disabilities also need supports from multiple service clusters. For example, some people with disabilities need employment services (e.g., supported employment), while others need accommodations for work, such as workplace modifications. In many cases, people with disabilities also need the same types of assistance required by welfare recipients to transition to work, such as cash/in-kind supports, and transitional assistance (e.g., case management).

B. Purpose of Report

The purpose of this report is to:

- Examine the disability community's efforts to help individuals with significant disabilities access and maintain employment ; and
- Identify how welfare agencies can learn from and build upon lessons from the disability community.

This report focuses on disability programs within the employment services, cash/in-kind support, and transitional support service clusters. Barriers are not addressed separately. Instead, discussions surrounding barriers to work are incorporated into each of the other service discussions. This chapter outlines the context for the report. Chapter 2 highlights strategies for increasing employment among people with disabilities. Chapter 3 reviews the use of cash and in-kind supports to increase employment. Chapter 4 outlines what is known about transitional services for persons with disabilities. Finally, Chapter 5 summarizes the key lessons for the TANF community. Appendix A describes the rules governing the primary public assistance programs discussed in this report: TANF, Disability Insurance (DI), and Supplemental Security Income (SSI).

The remainder of this chapter describes the hard-to-employ TANF population. It focuses on their characteristics and barriers to employment. It also briefly describes the characteristics of people with disabilities. Efforts to help hard-to-employ individuals have been underway in the disability community for many decades, and aspects of employment and training programs utilized in the disability field could be applied to welfare-to-work programs that target the hard-to-employ TANF population. In addition, individuals with disabilities who receive income supports—primarily Disability Insurance and Supplemental Security Income—face many of the same work-related issues that TANF recipients do as they consider moving into the labor force.[7] Finally, it identifies how states treat people with disabilities under their TANF systems.

C. Characteristics of Hard-to-Employ TANF Recipients

Designing programs to help the hard-to-employ TANF population transition from welfare to work is inherently difficult because it is not a homogeneous group. While much has been written in journals and the popular press about a core group of hard-to-employ recipients, there is no common definition of this group, even within the welfare community (Thompson et al., 1998). Researchers generally agree that certain demographic characteristics are associated with long-term welfare receipt and limited labor force experience. Moreover, many hard-to-employ recipients exhibit characteristics that would have exempted them, on the grounds of disability, from the welfare-to-work program in place before the passage of PRWORA.

One way to define the hard to employ is by duration of welfare receipt. The theory is that women on welfare for longer periods of time are more likely than those on the rolls for a short time to experience barriers to employment that prevent them from leaving the welfare system. A number of national and state-level studies have found that certain characteristics appear to be related to long-term welfare receipt. Not surprisingly, these characteristics also seem to be associated with limited labor force participation.

National studies. Research conducted prior to the implementation of PRWORA found that women who had limited education or no recent work experience when they began receiving

[7] As will be described further in this report, one large difference between the two populations is that health care coverage does not end for DI and SSI recipients who go to work.

welfare were considerably more likely to be on welfare for five or more years than other women (Pavetti, as reported in U.S. House of Representatives, 1998).[8]

In another study, Olson and Pavetti (1996) used the National Longitudinal Survey of Youth (NLSY) to explore duration of welfare receipt by presence of serious and moderate[9] barriers to employment. They found long-term welfare spells (lasting five or more years) were associated with physical and mental problems, substance abuse, and low basic skills. For instance, long-term welfare recipients were 75% more likely to have extremely low basic skills than those on welfare for less than two years (35% versus 20%). They were also 39% more likely to have a mental health problem, 69% more likely to have a drinking problem, and 56% more likely to have a medical problem. All in all, women on welfare for five or more years were 35% more likely to have any severe barrier to employment than were those on welfare for two or fewer years.

State-level studies. Danziger (1999) and her colleagues used the 1997 Women's Employment Study (WES) to determine the presence of barriers to work among a sample of urban welfare recipients post-PRWORA.[10] They found that many women on welfare with barriers to work are employed at least part time, although they are less likely to work than both TANF recipients without barriers and women not on welfare.

Exhibit 1.1 lists the barriers for which there were statistically significant differences in employment between welfare recipients with and without such barriers. As the first two columns indicate, the welfare recipients in the WES were more likely to experience a barrier than were women in the general population.

The third and fourth columns indicate how the proportion of welfare clients working 20 hours per week differs by presence of a barrier. For example, clients without a transportation problem are about 25% more likely to work 20 hours per week than are those with no car or license. Clients without health problems are 67% more likely to work than are those with health problems.

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[8] Women with less than nine years of education, for example, accounted for 13% of all first-time AFDC recipients but 63% of long-term recipients, while those who had graduated from high school accounted for 53% of new recipients but only 24% of long-term ones. Those with recent work experience accounted for 61% of all new entrants but only 28% of long-term recipients.

[9] Serious barriers include: not seeking work due to a medical condition, experiencing depression 5-7 days per week, extensive alcohol or drug involvement (defined as being concerned about being an alcoholic, having had problems at work or school repeatedly), and extremely low basic skills (scoring in the bottom tenth of the Armed Forces Qualifying Test)

Moderate barriers include presence of medical problems that limits type of work, presence of a child with a chronic medical condition, some physical indication of problem drinking, experiencing depression 3-5 days per week, repeated use of marijuana, very low basic skills (between 10th and 25th percentile on AFQT).

[10] The WES surveyed women ages 18 to 54.

Exhibit 1.1

% with Barriers to Employment

Barrier	% WES with barrier	% National pop. with barrier	WES working 20 hrs./wk., with barrier	WES working 20 hrs./wk., no barrier
Less than HS education	30.1	12.7	39.8**	65.4
Low work experience	15.4	---	33.3**	62.3
Fewer than 4 job skills	21.1	---	34.2**	64.0
Transportation problem	47.3	---	46.7**	58.5
Major depressive disorder	26.7	12.9	48.0**	61.2
Drug dependence	3.3	1.9	40.0*	57.5
Health problem: mother	19.4	---	37.0**	61.7
Health problem: child	22.4	---	47.5**	60.1
Perceived discrimination	13.9	---	46.7**	59.5

* Difference between columns 3 and 4 significant at the 0.10 level

**Difference between columns 3 and 4 significant at the 0.05 level.

Source: Danziger et al. (1999).

When multiple barriers are present, the probability of employment for 20 or more hours per week declines further, from about 82% among recipients with no barriers to about 6% among those with seven or more (see Exhibit 1.2). Fifty-eight percent of the WES sample had one to three barriers; 12% had four, and 15% had zero.

Exhibit 1.2

Employment Probability, by Barriers

Number of Barriers	African American	Non-Hispanic White
0	82.6	82.2
1	71.3	73.7
2-3	62.1	64.8
4-6	41.4	44.3
7+	5.6	6.3

Source: Danziger et al. (1999)

Other state-level evaluations have found similar barriers to employment. In Minnesota, for example, welfare clients in seven counties were randomly assigned to participate in the Minnesota Family Investment Program in the mid-1990s. The program evaluator, Manpower Demonstration Research Corporation, surveyed recipients prior to the commencement of the program to glean their attitudes toward employment and other activities. "Cannot arrange for child care" was the primary barrier to employment reported by long-term single welfare recipients (56%), followed by "no way to get [to job] every day" (49%). Other barriers included a health or emotional problem of parent or family member (27%), too many family problems (28%), and already too much to do during the day (25%). Eighty-two percent of non-workers

cited at least one of these five reasons (Miller et al., 1997). Similarly, the Kansas Department of Social and Rehabilitation Services (KSRS) conducted pilot studies in two counties to determine the presence of learning disabilities and other barriers to work among the current TANF population. KSRS estimates that 30% of the TANF population not exempt from time limits have learning disabilities, 26% have low IQs (under 80), and 20% have substance abuse problems (Gerry & Shively, 1999).

D. Characteristics of People with Disabilities

Like TANF clients, people with disabilities are a diverse group. According to the Census Bureau, a person has a disability if he or she has difficulty performing functions such as seeing, hearing, talking, walking, climbing stairs, and lifting, or difficulty with certain social roles, such as employment (Census Bureau, 1997). Based on this definition, data from the Survey of Income and Program Participation (SIPP) indicates that about 21% of the population has some level of disability. The percent with a disability increases with age, from 12% of 15- to 21-year-olds to 36% of those ages 55 to 64. About 10% of the population has a severe disability (McNeil, 1997; Kruse, 1997).[11] Again, the prevalence of a severe disability increases with age.

Barriers to employment among people with disabilities also vary considerably. The 1992 National Health Interview Survey (NHIS) provides information about the kinds of health conditions that cause activity limitation and work disability among the working age population. For persons ages 18 to 69, back disorders are the main cause of work limitations (18.3%). Some other causes of work disability are heart disease (10.9%), arthritis (8.3%), respiratory diseases (5.6%), and mental disorders (4.9%) (LaPlante & Carlson, 1996). Employment barriers for participants of the disability programs described in this report—Supplemental Security Income (SSI) and Disability Insurance (DI)—are somewhat different than those of the larger working-age population. In 1996, the primary disability diagnosis among SSI recipients ages 18 to 64 was psychiatric disorders (30.4%), followed by mental retardation (28.4%), nervous system/sense organ diseases (10.1%), and musculoskeletal system diseases (7.3%). Among DI recipients, the primary disabling condition was mental disorders[12] (22%), neoplasm diseases (17%), circulatory system problems (14%), and musculoskeletal system diseases (12%) (U.S. House of Representatives, 1998).

There is a large difference in the rate of employment depending on the severity of the disability. According to the 1994-95 SIPP, the employment rate for males with non-severe disabilities (85%) was similar to the rate for males with no disabilities (88%), while the rate for men with severe disabilities (28%) was considerably lower. Among women, the employment rate for those with non-severe disabilities (68%) was similar to the rate for women with no disabilities (74%), while the rate for women with severe disabilities (25%) was much lower (McNeil, 1997).

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[11] An individual has a severe disability if he or she uses a wheelchair, has used a cane, crutches or walker for more than six months, receives SSI or is covered by Medicare, needs assistance with an activity of daily living (such as eating or bathing), reports being prevented from doing work or housework, or has mental retardation, Alzheimer's, senility, dementia, or a developmental disability.

[12] Including mental retardation.

The disability community has vast experience with programs that help people with limited work experience and many barriers to employment access and maintain jobs. People with disabilities, including many SSI and DI recipients, generally obtain employment services through the vocational rehabilitation (VR) system. VR is a nationwide federal-state program that provides medical, therapeutic, counseling, education, training, work-related placement assistance, and other services, such as transportation. The VR system is intended to cover everything that a person needs to overcome a barrier to employment.[13] Employment services for people with mental retardation or developmental disabilities are also funded by state MR/DD systems. State MR/DD agencies provide a range of services, including employment supports, traditional facility-based options such as sheltered workshops and non-work day habilitation programs, and community integration services (Butterworth, Gilmore, Kiernan, & Shalock, 1999).

E. Treatment of People with Disabilities under TANF

Whether women who experience significant barriers to employment, including disabilities, are exempt from TANF work requirements or time limits is a matter of state policy. For example, in some states, women with low basic skills or major depressive disorders might have a temporary or permanent exemption from work activities. In other states, these clients are expected to participate to the best of their capacity. This represents a significant departure from AFDC, when recipients who were "ill or incapacitated" or "caring for an ill or incapacitated household member" were not required to participate in Job Opportunities and Basic Skills (JOBS), the federal welfare-to-work program (Thompson et al, 1998). Under these broad definitions, recipients experiencing a host of circumstances, ranging from temporary illness to long-term problems not severe enough to qualify for SSI, were exempt. Thompson and her colleagues explored whether welfare policies applied to persons with disabilities have changed since the passage of PRWORA. They found that in 18 states the work requirement is the same as under JOBS, while 17 states require broader participation and 13 states universal participation.[14] There was also diversity among the states in terms of time limits. In 26 states, recipients with disabilities are subject to time limits, while in 16 states they are exempted from time limits. In 8 states, those exempted from work activity are also exempted from time limits.[15]

Some women with disabilities leave the welfare system (thus avoid time limits) by transitioning to the SSI program. SSI provides monthly cash benefits to blind and disabled people with limited

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[13] A VR counselor is assigned to those who become eligible for services. The counselor develops and coordinates the types of assistance a person needs for employment, including the development of an Individual Plan for Employment (IEP). The IEP is a written agreement between VR and the client to achieve the individual's employment goal, and must be consistent with his/her interests, unique strengths, priorities, abilities, and capabilities. The state VR counselor provides some services directly to the eligible individual and arranges for and/or purchases other services from providers in the community (Cornell University & The Lewin Group, 2000).

[14] Three states (Colorado, North Carolina, and Ohio) were not included in the calculation because of county by county variation in policies. Broader participation generally requires some recipients who were exempt from JOBS to participate in welfare-to-work activities. Universal participation means that no individual is exempted. Each is expected to participate to the best of her ability in some type of activity.

[15] The authors define time limit as the 60-month federal limit or an earlier state-determined limit, which ever is shorter.

income. A 1999 Lewin Group study explored this transition among women ages 18 to 40 and children ages 0 to 17 between 1990 and 1997. About 25% of the female SSI recipients between 1990 and 1993 had been on welfare in the past. In addition, about 9% of the women and children on AFDC between 1990 and 1993 applied for SSI at some point before 1998.

Most TANF recipients, however, are not eligible for SSI. Some hard-to-employ recipients ultimately might not be subject to the federal 60-month time limit since PRWORA allows states to exempt 20% of their caseloads from the limit. States can also choose to fund TANF benefits from their own revenues. It is unlikely, though, that all hard-to-employ TANF recipients will be exempted. Thus, states are looking for new and innovative approaches for moving hard-to-employ recipients into the work force. One place to look is the disability community, which has had success in helping people with significant barriers to work (physical and mental) find and sustain employment.

As the following chapters describe, a number of employment programs that target people with disabilities might prove useful to hard-to-employ TANF recipients.

CHAPTER 2: EMPLOYMENT SERVICES

A. Introduction

Work is the hallmark of the new welfare environment. Clients on TANF must be engaged in work activities or face losing benefits. In addition, time limits necessitate that TANF recipients find employment, transition off of welfare, and remain off the rolls or risk exhausting their benefits. The challenge for policymakers and the welfare community is to find strategies that not only link hard-to-employ welfare clients to work, but also enable them to remain employed. As the first section in this chapter notes, much of the debate surrounding employment services for TANF clients has focused on the preferred strategy for providing those services.

The disability community has considerable experience helping clients with significant barriers to work both access and maintain employment. This chapter describes four employment strategies. The first, workplace accommodations, focuses on employer modifications to jobs or work schedules that help people with disabilities to work. The second, supported employment, is a more intensive strategy that offers extensive on-the-job training and assistance with other activities, such as transportation and childcare, which are necessary for employment. The third, natural supports, suggests that the people one encounters daily through work and the community at large have great potential to help a person with disabilities find and maintain employment. Finally, Projects with Industry offers specialized job search and placement, and is a model for encouraging employers to hire people with disabilities. Each employment strategy is followed by a discussion of the implications for the hard-to-employ TANF population.

B. Current TANF Policies

To date, employment services for welfare clients have generally fallen into one of two categories: employment-focused and education and training-focused approaches.

- *Employment-focused programs* range from minimal, job search-only programs to mixed-strategy programs, in which other services, such as short-term education and training, may be provided. In keeping with the philosophy of these programs, the focus of each element is on getting clients into the workforce as quickly as possible.

- *Education and training-focused programs*, on the other hand, are designed to improve present and future employability by improving basic skills and providing training and education that increase employment skills. Participants are assigned to various service components, such as basic skills training, vocational training, or higher education, based on their individual needs and career goals. Clients are encouraged to be selective and choose a job that fits with their long-term goals.

Elements of both approaches can include assessment, case management, and the provision of work supports, such as transportation and childcare. Evaluations of welfare-to-work demonstrations found that both approaches can be effective for at least some segments of the welfare population. Employment-focused programs can moderately increase employment and earnings and reduce welfare payments. This is especially true of participants in "mixed strategy" programs, which combine job search with other services such as short-term education or

intensive case management. Evaluations of job search-only programs tended to show smaller impacts. Research on education and training-focused programs has not found consistent results. While there is some evidence that impacts for these program participants may increase in the long run, it was found that after two years the earnings gains were still smaller than those achieved by employment-focused programs. *However, under both employment- and education/training-focused strategies, the employment and earnings impacts for more disadvantaged clients—those with low basic skills, limited work experience, and other barriers to employment—were not as large as those for less disadvantaged recipients* (U.S. Department of Health and Human Services & U.S. Department of Education, 1997). Hence, the programs are not necessarily effective for the hard-to-employ recipients with complex needs.

The strategies described above generally focus on equipping clients with "hard skills" that are needed to perform a job. Beyond this, many clients new to the workplace need assistance with "soft skills." These include appropriate workplace attire, learning the workplace culture (e.g., arriving to work on time, calling a supervisor if there are plans to miss work), how to interact constructively with supervisors and co-workers, managing time, juggling multiple demands, and how to handle negative feedback. As described in the next section, programs in the disability field emphasize both hard and soft skills.

C. Strategies for Employing People with Disabilities

1. Workplace Accommodations

The Americans with Disabilities Act (ADA) has been instrumental in the movement to employ people with disabilities by supporting the notion that people with disabilities have the right to be a part of the labor force and not be discriminated against because of a disability. Often referred to as the civil rights act for people with disabilities, the ADA outlines clearly the role of the employer in providing "reasonable accommodations" for people with disabilities in the workforce.

A reasonable accommodation is any modification or adjustment to a job, employment practice, or work environment that enables a qualified individual with a disability to participate in and enjoy equal employment opportunity. Employers are obligated to provide a reasonable accommodation that applies to all aspects of employment. A qualified applicant or employee cannot be denied an employment opportunity because of the need to provide reasonable accommodation, even if there are concerns about the cost of an accommodation.[16]

Examples of accommodations include making facilities readily accessible to people with disabilities (e.g., installing ramps, making workspace accessible to a person in a wheelchair), providing specialized equipment, job restructuring, and flexible work schedules. The federal government's Job Accommodation Network (JAN) provides practical information and technical assistance on the issues of employment of people with disabilities and accommodations. JAN

[16] If the cost of an accommodation imposes an undue hardship on the employer, the individual with the disability should be given the opportunity to provide the accommodation or to pay the portion of the cost that causes undue hardship to the employer.

developed a flowchart to help employers assist people with disabilities overcome barriers in the workplace. The steps involved in providing reasonable accommodations are listed in Exhibit 2.1.

Exhibit 2.1

Providing Workplace Accommodations

Step	Activity
1.	Define the problem on a case by case basis
2.	Revise the job description
3.	Modify the facility
4.	Purchase the product or service
5.	Use and integrate the product
6.	Modify the product
7.	Design the new product
8.	Reassign to available position
9.	Redefine the situation
10.	Maintain accommodations

In practice, an "accommodation flowchart" for a person with a learning disability might involve the following: an assessment that would involve defining the severity of a learning disability, a revision of the job description to include instructions and training that consider his/her level of learning, modification of the task to include specialized supervision, and purchasing services/products that support the needs of learning disabled employees on the job.

A number of initiatives have expanded the base knowledge about the use of accommodations and support the idea that various levels of employer accommodations can help employees (specifically those with disabilities) effectively participate in the workforce. The Center for Psychiatric Rehabilitation initiated a study in 1993 to examine workplace accommodations in supported employment programs.[17] The types of accommodations most frequently used were job coach assistance in hiring, general job coach support at the worksite, and flexible scheduling. Many of the accommodations were cost-free; the majority were of limited cost (MacDonald-

[17] Funded by the National Institute on Disability and Rehabilitation Research. The study collected data on 194 workers with psychiatric disabilities in 26 supported employment programs across three states (Maryland, Massachusetts, and New Jersey). In total, 322 accommodations were identified.

Wilson, 1997).[18] A 1998 survey of over 600 employers found that the six most common types of accommodation were: making existing facilities accessible, restructuring jobs/work hours, instituting a flexible Human Resources policy, making transportation accommodations, providing written job instructions, and modifying an employee's work environment (Cornell University, 1998).

Research suggests that workplace accommodations can have a positive effect on the employment outcomes for people with disabilities. For example, several studies find that approximately one-third of workers who continued to work for their employer after the onset of a work limitation also reported that their employer had made workplace accommodations for the worker (Daly & Bound, 1996; Charles, 1996; Lando et al., 1979; Burkhauser, Butler, and Kim, 1995). Furthermore, Charles (1996) finds that workers who developed a work limitation and whose employers took steps to accommodate their work limitation were nearly twice as likely to be working for their old employer two years after the onset of their work limitation than workers whose employers made no accommodations. Butler, Burkhauser, Kim, and Weathers (1997) find similar effects of employer accommodations in their analyses.[19] However, Burkhauser and Daley (1994) maintain that relatively few Disability Insurance (DI) or Supplemental Security Insurance (SSI) recipients would return to work as a result of the ADA, citing evidence from other studies that suggest that once individuals apply for federal disability benefits, it is unlikely they will return to work.

Implications for TANF. States should take steps to work with employers to accommodate TANF recipients as required by the ADA. However, some barriers to work, such as learning disabilities, are not covered by the ADA, but may be addressed through workplace accommodations. It is important to note that accommodations do not happen automatically. Welfare agencies might need to work with employers to design workplace accommodations.

A number of barriers to employment experienced by TANF recipients could be addressed by workplace accommodations, including limited work experience, low basic skills, learning disabilities, child care, and transportation. Exhibit 2.2 suggests types of general accommodations that could be adapted to the hard-to-employ TANF population.

[18] Of the 322 accommodations provided, only 1 had a specific cost. The author notes that other studies have found limited costs. The Job Accommodation Network reports that 80% of accommodations cost under $500 for people with a variety of disabilities (JAN (1996), as cited in MacDonald-Wilson, 1997); Matrix Research Institute's findings that 58% of accommodations are cost-free, and 32% cost under $100 (Granger, Baron, & Robinson, (1996), as cited in MacDonald-Wilson, 1997).

[19] As Bound and Burkhauser (forthcoming) stress, however, employers are more likely to make accommodations when a worker's limitation is minor, and thus, generally less costly to accommodate, and when they expect employees to continue with them. Consequently, these estimates likely represent the upper bound of the effect of employer accommodation on the employment of workers after the onset of a disability.

Exhibit 2.2

Addressing Barriers through Accommodations

Accommodation[20]	Actions	Barrier(s) Targeted
Change in interpersonal communications	♦ Put work assignments in writing to facilitate individual steps ♦ Train supervisor on how to give positive feedback ♦ Convene daily planning sessions with co-workers or supervisors to determine goals	♦ Limited work experience (hard and soft skills) ♦ Low basic skills ♦ Learning disabilities
Adjust physical environment	♦ Add room dividers to help workers maintain concentration and to reduce noise	♦ Limited work experience (primarily soft skills) ♦ Learning disabilities/problems focusing on tasks
Job modification	♦ Exchange problematic tasks for part of another employee's job description.	♦ Limited work experience (primarily hard skills) ♦ Low basic skills ♦ Learning disabilities
Schedule modification	♦ Allowing a shift in schedule by one hour to accommodate child care or appointments at children's schools.	♦ Child care ♦ Transportation ♦ Ongoing health issues
Transportation accommodation	♦ Arrange work at home for someone who cannot drive to work or does not have access to public transportation ♦ Subsidize commutes through van pools.	♦ Transportation ♦ Child care

2. *Supported Employment*

a. Background

Supported employment is not a comprehensive system of employment programs, but a model for providing employment services to people with disabilities. It works under the premise that all people, regardless of the presence of a disability, can do meaningful, productive work in a competitive setting if they receive appropriate supports. Supports may be provided indefinitely. The Developmental Disabilities Act of 1984 defined supported employment as:

> (i) Paid employment for persons with developmental disabilities for whom competitive employment at or above the minimum wage is unlikely and who need ongoing support to perform in a work setting, (ii) is conducted in a variety of settings in which persons without disabilities are employed, and (iii) is supported by any activity needed to sustain paid work including supervision, training, and transportation (as cited in Mank, Cioffi &Yovanoff, 1997).

[20] General categories for accommodations from Mancuso (1990).

The first supported employment project tested was the *National Supported Work Demonstration* (NSWD), which operated in 15 sites from March 1975 to December 1978. Several federal agencies[21] and the Ford Foundation funded the NSWD. The demonstration provided 12 to 18 months of work experience to four hard-to-employ target groups:

- *Women on AFDC* for 30 of the preceding 36 months and with no children under age 6;
- *Ex-addicts* ages 18 and older who either were enrolled in a drug treatment program at the time of the demonstration or had been enrolled within the previous 6 months;
- *Ex-offenders* ages 18 and older who were incarcerated within the previous 6 months; and,
- *Youths* ages 17 to 20 with no high school diploma or equivalency degree and had not been in school in the preceding 6 months; 50% also had a delinquency record and/or conviction.

Manpower Demonstration Research Corporation (MDRC) oversaw the demonstration. According to the MDRC Board of Directors, "The guiding principle of the supported work experiment is that by participating in the program, a significant number of people who are severely handicapped for employment may be able to join the labor force and do productive work . . . and become self-supporting members of society" (MDRC, 1980).

There were a number of key program components. Participants were usually assigned to a work crew with ten or fewer co-workers with similar characteristics (e.g., long-term welfare recipients). The supervisor served as both foreman and counselor. Work sites ranged from construction to manufacturing to childcare. Demands of the job increased over time ("graduated stress"). At some sites, graduated stress involved increasing productivity demands, along with attendance and punctuality requirements; in other sites, workers were assigned to increasingly complex tasks; still other sites decreased the level of supervision. Wages started near minimum wage, and sites could pay bonuses and merit increases to those who met the increasing work requirements (MDRC, 1980). During the final months of the demonstration, staff helped participants find an unsubsidized job.

Demonstration volunteers were randomly assigned to either the experimental or control group. The experimentals were offered a supported work job; controls were excluded from the program. All volunteers were interviewed at the time of random assignment and at nine-month intervals for four years.

The evaluation found that supported employment had the largest effect on the AFDC group. *What was particularly noteworthy about the NSWD evaluation was that program results were especially strong for harder-to-employ segments of the target group: older women (ages 36 to 44) and those who had no work experience—precisely the groups that the welfare community fears will exhaust their welfare benefits under the TANF program.*

[21] Department of Labor, Department of Justice, Department of Health, Education, and Welfare, U.S. Housing and Urban Development, and Department of Commerce.

Overall, the AFDC recipients who participated in the NSWD were more likely than their control group counterparts to be employed after 27 months, to work more hours, to have higher monthly earnings, to have lower cash welfare payments, and lower food stamp amounts. (See Exhibit 2.3.)

Exhibit 2.3
National Supported Work Demonstration: Treatment/Control Differences
AFDC Group, Months 19-27

Outcome Measure	Experimental Group	Control Group	Difference
% employed	49.1	40.6	8.5
Avg. Monthly hours worked	60.9	45.2	15.7
Avg. Monthly earnings ($)	242.89	165.88	77.01
% receiving cash welfare payments	71.4	85.1	(13.7)
Avg. Monthly AFDC payment ($)	172.06	224.00	(51.94)
Avg. Monthly Food Stamp bonus ($)	47.14	60.25	(13.11)

Source: MDRC, 1980 (Table 9-1).

All differences statistically significant at the 5% level.

However, because higher earnings led to lower AFDC and food stamp benefits (a $2,600 reduction over the 27-month period), total income for the experimental group was not significantly higher than for the control group.

It is important to note that the model has changed over time. While there are different models for providing supported employment, including enclaves and work crews, today there is a strong focus on placing employees in integrated work situations.[22]

Supported employment occurs in the disability community with increasing frequency. The Virginia Commonwealth University's National Survey of Supported Employment Implementation has tracked trends in supported employment program enrollment since 1986. The survey indicates that the number of participants in supported employment services increased almost 10-fold, from 9,882 in FY 1986 to 105,381 in FY 1993. The primary disability among clients in 1993 was mental retardation (70.3%), followed by mental illness (19.3%), serious impairments (2.6%), and cerebral palsy (2.0%) (Kregel & Wehman, 1997).

[22] **Enclaves** involve groups of up to eight workers with disabilities who work alongside employees without disabilities in a business, but who are provided with full-time supervision and support by a special supervisor. **Mobile work crews** are small businesses that work for customers on a contract basis at the customer's regular workplace. As with enclaves, crews can be no larger than eight workers

b. *Components of supported employment*

The central supported employment program element is on-the-job training by a job coach, also known as an employment consultant. The job coach's multiple roles include identifying employment opportunities and the necessary skills to perform the jobs; analyzing a client's skills and interests; helping the worker learn the job and become integrated into the employment site; and, educating supervisors and co-workers about working with persons with disabilities (Schalock & Kiernan, 1997). The job coach also addresses behavioral, communication, transportation, and other non-vocational aspects of the job.[23] In the past, the coach often did significant amounts of the client's work initially ("covering the job") to ensure that the work was completed and to demonstrate the process, but the level of effort typically diminished over time. Today, experts in the disability field suggest that covering the job is no longer a standard practice because it confuses the employer as to who is the actual worker and it interferes with the development of natural supports among co-workers (Butterworth, 2000). (Natural Supports will be discussed further below.) Exhibit 2.4 describes the job training strategies of the job coach.

[23] It is difficult to determine which roles job coaches perform most often, because job coaches adapt their techniques to meet the needs of the client. Howton Ford (1995) cites a study of job coaching roles in 27 states with federal grants to provide state-wide supported employment opportunities. The study found that the most common service was post-placement on-site training, followed by pre-placement activities, follow-up activities, assessment activities, rehabilitation plan development, job development, and preparation of reports. A 1990 study of Oregon job coaches found that they spent an average of 25.7 staff hours per month in the pre-employment phase, 27.5 hours per month during the job-training phase, and 14.7 hours per month during the follow-up phase. The job coaches worked an average of 24.3 hours per week.

Exhibit 2.4

Teaching Job Skills

Adding Structure	
Task Analysis	For workers who have difficulty mastering tasks, the job coach can write out sequential steps involved in completion of each task and include information on how each step is done.
Chaining	The job coach can begin by teaching each task one step at a time, and add additional steps as each is mastered.
Shaping	If completing the entire task proves difficult, the job coach can help the worker establish intermediate goals, which are slowly shaped to meet the criteria of the job.
Pre-instruction and rehearsal	The job coach can help the client learn skills before they are required on the job.
Providing and/or Strengthening Cues	
Prompting	The job coach can offer prompts to help the client know when to initiate, finish, or correct a task.
Modeling and demonstration	The job coach can complete a task to demonstrate to the client how it should be done
Augmenting cues	The job coach can augment cues already found in the workplace, such as developing a checklist of tasks that need to be completed.
Providing an example	The job coach can help the client learn the tasks of a job by offering a concrete example of the steps needed to complete a task, such as examples of correctly typed or formatted documents or a correctly assembled product.
Providing and/or strengthening reinforcement	
Role playing/practice sessions	The job coach can provide feedback outside of the workplace on approaches to completing tasks and responses to questions and supervisors.
Reinforcers	The job coach can design the workplace in a way such that reinforcements are available, such as encouraging supervisors and co-workers to provide feedback.
Correction	The job coach can offer feedback when the client makes errors on the job.

Source: Howton Ford (1995), pp. 207-212.

Program evaluations found that supported employment can be effective for persons with a range of disabilities. Programs such as Job Path, Structured Training and Employment Transitional Services Demonstration, Transitional Employment Training Demonstration, and Schapiro Training and Employment have successfully increased employment rates and wages, and decreased cash transfer payments (primarily SSI). Exhibit 2.5 describes some of the specific evaluation findings.

Exhibit 2.5
Supported Employment Evaluations

	Intervention		Outcomes*		
	Target Population	**Services**	**Employment**	**Earnings**	**Benefit Receipt**
Job Path[24]	Adults with mental retardation 1978-1979	18 months of supervision in 35-hr./ week jobs at minimum wage, job demands increased over time	Full-time, competitive employment higher after 6 months (44% v. 20%) and 18 months (72% v. 42%)	At 15 months, higher average weekly wage $177 v. $146	Majority employed program group had private health and dental insurance, paid sick leave, vacation, and workman's comp.
Structured Training and Employment Transitional Services (STETS)[25]	18-24 year-olds with low IQs (40-80) and limited work experience[26] 1981-1984	18 months training and gradually increasing job demands, and follow-up services for those placed in unsub. Jobs	% in regular, unsubsidized jobs higher at 15 months (26% v. 17%) and at 22 months (31% v. 19%)	Avg. weekly earnings from unsubsidized job at 15 months ($27 v. $16) and at 22 months ($36 v. $21)	% receiving cash transfers lower at 6 months (32% v. 43%) and at 15 months (44% v. 51%)
Transitional Employment Training Demonstration (TETD)[27]	SSI recipients with mental retardation 1985-1987	Job placement assistance and job coaching	% employed 8-15 percentage points higher each year	Earnings were 72% higher over 6-year observation period[28]	Avg. SSI payment decreased 5%
Schapiro Training and Employment Program (S.T.E.P.)[29]	Individuals with mental illnesses 1986-1988	Supported employment with job coaches	Mean weekly hrs. worked: 27.4; 47% held jobs for at least 6 months[30]	Avg. hourly wage: $4.13	

* For all demonstrations, except S.T.E.P., findings represent differences between individuals randomly assigned to experimental groups and those randomly assigned to control groups. Control groups generally received no services.

[24] Sample size: 60 experimentals, 60 controls. For more information on Job Path, see Greenberg & Shroder (1997).
[25] Sample size: 236 experimentals, 231 controls. For more information on STETS, see Greenberg & Shroder (1997).
[26] Impacts were greater among those with more severe mental retardation.
[27] Sample size: 375 experimentals, 370 controls. For more information on TETD, see Prero & Thornton (1991) and Decker & Thornton (1995).
[28] Higher earnings resulted from combination of high wages, more hours worked, and higher employment rates.
[29] For more information on S.T.E.P. see Fabian & Wiedefeld (1989), as cited in McGurrin (1994).
[30] Rate commonly cited in literature ranges from 15% to 25% (Anthony, Cohen, & Vitalo, 1978, as reported in McGurrin, 1994).

Implications for TANF. Supported employment addresses many of the shortcomings of traditional employment and training programs for hard-to-employ welfare clients. As reported in Chapter 1, the Women's Employment Study found that many welfare clients possess barriers to employment, such as few job skills, low educational attainment, low basic skills, depression, and transportation problems. Job coaches are in a good position to help new employees learn all aspects of the job, including workplace behavior norms, transportation to and from work, as well as the elements of the job itself. For those with limited experience, the job coach can help teach the job by breaking it down into small steps.

The role of the job coach also accords with the prevailing sentiment in the welfare and workforce development communities regarding one-stop, integrated services. Just as the workforce development system is moving toward a one-stop service center model (in accordance with the Workforce Investment Act), job coaches combine multiple roles into one: caseworker, job developer, trainer, life skills coordinator. The job coach, in essence, helps prevent the client from falling through the cracks.

Exhibit 2.6 illustrates how the welfare-to-work process might differ with a supported employment approach. Take the case of a hypothetical TANF client who has received welfare for 10 years, dropped out of high school, has low basic skills (reading and math skills in the bottom 25%) and no previous work experience. She lives in a work-first state that permits few activities other than job search.

Each welfare office would need to determine how best to connect its clients to supported employment opportunities. Case managers, for example, could establish relationships with their counterparts in the vocational rehabilitation and state MR/DD agencies. Local rehabilitation providers and facilities could also be useful to TANF agency staff. If an assessment revealed that supported employment would be a viable option, a referral could be made. Recently, the U.S. Department of Health and Human Services prepared a joint letter with the Rehabilitation Services Administration (which administers the vocational rehabilitation program) on partnering to serve TANF clients with disabilities. Conversely, welfare offices could hire staff persons who have experience working with people with disabilities. Staff could perform multiple roles: assessing the need for supported employment, working with employers to offer supported employment, and serving as job coaches. Or, welfare agencies could upgrade the skills of current staff members.

Exhibit 2.6

Comparing Welfare-to-Work Services in Traditional and Supported Employment Programs

Element	Welfare-to-Work services in a "work first" environment	Welfare-to-Work services in a supported employment model
Assessment	♦ A welfare office caseworker might use assessment to reveal the client's barriers to employment as well as her job-related interests.	♦ The job coach tests the client's skill levels, conducts a functional analysis and interviews her about work experience and interests.
Job search/placement	♦ In a work-first environment, the caseworker will direct the client to begin job search (either individually or in a group setting) immediately.	♦ In supported employment, job search/placement would begin with pre-employment skills training. At this stage, the job coach helps the client with her jobseeking skills (e.g., interviewing, resume writing), work readiness training (e.g., attendance, grooming, following supervisor's instructions), and social skills (e.g., workplace conversations). ♦ Employer involvement is crucial to the supported employment model. The job coach works with the employer to determine job duties, schedules, and techniques used to complete different tasks. Support of the supervisor and staff is also important to the long-term outcomes of the worker with disabilities.
Barrier amelioration	♦ Because the client exhibits severe barriers to employment (e.g., no high school diploma, low basic skills), the caseworker might refer her to appropriate service providers or activities (e.g., evening GED or Adult Basic Education courses).	♦ Following job placement, the job coach might assist the client with work supports such as transportation arrangements. ♦ The job coach spends most time on on-the-job training to address skills and other barriers to employment. Training might involve job analysis and restructuring, negotiation with the employer (e.g., determining job duties, schedules, techniques used for various tasks), and teaching vocational skills necessary to complete the job. Because the job coach trains the worker at the job site, the coach is in a good position to help the worker with "soft skills" and interactions with co-workers and supervisors.

Exhibit 2.6 (continued)

Comparing Welfare-to-Work Services in Traditional and Supported Employment Programs

Element	Welfare-to-Work services in a "work first" environment	Welfare-to-Work services in a supported employment model
Post-employment supports	♦ After the client finds a job, post-employment supports can include transitional childcare, time-limited transportation assistance, and case management (in person or via telephone). Work site or "soft skills" issues, such as problems with supervisors, would likely be addressed by the caseworker, but often only if the client raises the issue herself. Depending on the size of the caseload, the contact between the client and her caseworker could be weekly, monthly, or more intermittently.	♦ Routine follow-up is a key post-employment support. The job coach will meet regularly with the client to assess her performance and the adequacy of the support system. Routine follow-up aims to prevent major crises by helping the client work through minor issues as they arise.
Job retention	♦ Research conducted prior to PRWORA suggests it is likely the client will lose her job quickly. Analysis of the NLSY found that 75% of welfare clients lost their first jobs within one year of obtaining them. Job loss was highest during the first four to six months (Rangarajan et al., 1998).[31]	♦ The evaluation of the NSWD found that long-term AFDC recipients were significantly more likely to be employed, to work more hours, and to earn higher wages than long-term AFDC recipients in the control group. The evaluation, however, provided no information about job retention. The other studies mentioned earlier in this chapter, however, indicate that supported employment has been successful in helping large numbers of individuals with severe disabilities maintain employment. The Survey of Supported Employment Implementation, for example, found that between two-thirds and three-fourths of supported employment participants remained employed at their jobs for at least one year after initial placement; approximately half remained three years after placement (Kregel & Wehman, 1997).

[31] With a national survey such as the NLSY, it is not possible to document the reasons each survey participant lost her job. Some researchers, however, theorize welfare clients new to the labor force may "fall through the cracks." Often, caseworkers have large caseloads and cannot conduct regular follow-up with all clients. This is especially true if case management services are not targeted toward the hardest-to-serve clients, but instead offered to all clients who leave welfare for work. Clients themselves often are not proactive when it comes to contacting their caseworkers about problems. As a result, seemingly small problems, such as breakdowns in transportation or child care arrangements, or arguments with supervisors or co-workers, can escalate into crises and job loss.

3. *Natural Supports*

The concept underlying natural supports is that the "typical" people and environments that one encounters on a regular basis have great potential to help people with disabilities learn on the job, maintain employment, and live independently. By one definition, natural support is

> Any assistance, relationships or interactions that allow a person to secure or maintain in a community job . . . in ways that correspond to the typical work routines and social interaction of other employees (Rogan, Hagner & Murphy, as cited in Mank, Cioffi & Yovanoff, 1997).

Some argue that these supports are more effective than specialized services and personnel (Nisbet, 1992). Advantages over a job coach include a more normal employment setting for the employee with a disability and less intrusion in the worksite (Conley, Azzam, & Mitchell, 1995). In an employment setting, natural supports such as supervisors and co-workers can help employees with disabilities learn the job and become integrated into the culture of the organization. Such supports do not have to be job-related, however. Natural supports can help people with disabilities with child care, education, and household obligations. A Virginia Commonwealth University (VCU) Natural Support Demonstration Project survey of employed individuals with disabilities found that workers need the following natural supports: addressing work-related issues (28%), addressing non-work related issues (e.g., living arrangements, finances) (23%), finding a job (17%), help doing a job (15%), arranging transportation (10%) and assistance completing a job (5%) (VCU, 1997a).

Most individuals, regardless of the presence of a disability, utilize natural supports, perhaps without knowing it. For example, it is not uncommon for employees to consult their co-workers about projects and the best way to complete tasks. They may ask co-workers for help if they are under pressure from a deadline. Or, distressed employees may seek advice or confide in their co-workers about how to handle problems on or off the job. Researchers in the disability community suggest that the difference between employees with and without disabilities is that people with disabilities may need assistance to develop relationships with their co-workers. Employees with disabilities may lack the social skills necessary to approach co-workers for advice; they may lack information about the support co-workers can provide; or, they may feel stigmatized by their disability (Howton Ford, 1995).

As Exhibit 2.7 demonstrates, co-workers can support people with disabilities in many ways.

Exhibit 2.7

Co-Workers as Natural Supports

Function	Activities
Serve as models for vocational and social performance	♦ Demonstrate techniques for completing tasks/expectations ♦ Encourage worker to observe and act in similar manner
Help with task completion	♦ Provide support/assistance with work completion on busy day or during difficult task
Teaching tasks and skills	♦ Similar to what is done in most workplaces—more experienced employees help new ones learn the job
Evaluate work and provide feedback on work and social skills	♦ Periodically check on work ♦ Systematically give feedback and praise ♦ Be point person to go to when a problem arises
Provide social support	♦ Introduce employee to others ♦ Explain unwritten expectations ♦ Generally serve as a "buddy"
Act as an advocate	♦ Defuse confrontations ♦ Monitor assignment of least desirable tasks

Source: Howton Ford (1995), pp. 244-245.

Natural supports can also help individuals with disabilities sustain employment by easing pressures off the job. For example, neighbors, families, friends, or co-workers can assist with transportation, errands, and home making. Nisbet (1992) relays the story of a full-time worker with cerebral palsy. His neighbor checks in on his apartment occasionally to make sure that the housekeeping service is doing its job, collects mail and opens the envelopes, fills out checks so that they are ready for signature, and picks up extra groceries at the store. By the worker's estimate, his neighbor spends perhaps one or two hours every month on these tasks. Yet the savings in time for the worker with a disability is exponentially larger. What would generally take him hours only takes minutes (e.g., signing his name on checks).

The DHHS Office of the Inspector General (OIG) found that natural supports can help resolve difficult transportation problems for people with disabilities. OIG surveyed Developmental Disabilities Councils in nine states about methods for facilitating employment among people with disabilities. Transportation was identified as a major barrier to work. The general consensus among the councils was that a "task force" of friends, families, neighbors, and co-workers was the best way to alleviate the transportation problem. In essence, these task forces developed individualized transportation plans so that each employee had a reliable way of travelling to and from work (OIG, 1999).

Evaluations have found that natural supports can help people with disabilities become more integrated in their work settings and improve economic outcomes. Specifically, Mank, Cioffi, and Yovanoff (1997) surveyed job support personnel in 13 vocational programs in 8 states

about the "typicalness" of jobs[32] held by people with disabilities, primarily mental retardation. That is, how similar are the employment circumstances of employees with and without disabilities in the same businesses. The authors surmised that the more typical an employment setting, the more natural the supports offered on the job. The researchers found that more typical employment aspects were associated with greater worksite interactions. Furthermore, as worksite interactions increased, wages and other measures of typicalness increased at a similar rate. Higher wages were also associated with higher levels of worksite interactions, regardless of the level of mental retardation. In fact, the best predictor of higher wages for people with mental retardation was the typicalness of the compensation package, the orientation, and the training process.

In another study, Mank, Cioffi, and Yovanoff (1999) explored the role of co-worker training in the employment outcomes of people with disabilities.[33] Specifically, they examined presence of formal training, by supported employment personnel, about employment assistance for people with disabilities. The authors found that in job settings where co-workers received training, employees with disabilities earned more and were significantly more integrated into the workplace. This was especially true if co-workers in the immediate work area of the employees with disabilities received training.[34]

It is important to note that natural supports do not materialize automatically. They need to be facilitated. Butterworth, Whitney-Thomas, and Shaw (forthcoming) found that there is little empirical evidence to suggest how to facilitate natural supports in the workplace. The stakeholders involved, including the employer, employees with disabilities, co-workers, and the job coach need to determine the expectations both for job performance and social interactions necessary in the workplace. The needs of the employee with disabilities also must be taken into account.

An external human resources agent, such as a job coach, can play a key role. The authors found a positive relationship between the level of job coach involvement in facilitating natural supports and the level of inclusion. They found a number of strategies were used to help employees with disabilities with job performance. For example, one common intervention involves prompting a co-worker or supervisor to provide task-related information to the employee. This can involve demonstrating how to do a task correctly or showing an employee shortcuts or other tips. Butterworth et al. (forthcoming) offer the following example:

- An employee with disabilities worked as a coat-check attendant for a large convention center. One of her co-workers previously owned a coat-checking business. The job coach

[32] Measures of typicalness included job acquisition and hiring (application, recruitment), compensation (work schedule, hours, pay, benefits), initial orientation and training, work roles (similarity of tasks, opportunities for variety), and social aspects (participation in work a non-work social activities).

[33] The authors interviewed job support employees at 13 vocational programs regarding 538 employees with disabilities.

[34] Limitations of both the 1997 and 1999 studies include the small sample size (n=462 and n=538) and the fact that surveys were completed by individuals who were not unbiased. That is, job support personnel have an interest in seeing positive outcomes.

asked this co-worker to show the new employee better ways to keep herself organized, so the co-worker taught her several tricks of the trade.

The job coach also can teach a co-worker or supervisor *how* to teach, as opposed to what to teach. Some companies use formal training programs to teach co-workers how to assist employees with disabilities. However, the job coach can also consult with co-workers one-on-one to engage them in problem solving strategies. Consider the following example:

- An employee with a disability worked in a general store. His supervisor was not always available to provide direction, and the employee's duties changed day to day. The job coach worked with the supervisor to develop a checklist of tasks that could be adapted daily to outline the priorities of the day.

The job coach also can assist with the development of social relationships on the job. This might include identifying common interests between the employee with disabilities and co-workers or arranging social opportunities

- An employee who worked in a school cafeteria felt isolated from her co-workers. The job coach observed the daily routine and noted that most co-workers arrived early to have coffee together and chat. The job coach worked with the employee with disabilities to alter her schedule and transportation so that she could be at work for coffee.

The examples offered by Butterworth and his colleagues involve the use of a job coach. However, a human resources manager or staff person could perform similar roles.

In another study, Hagner, Butterworth, and Keith (1995) interviewed personnel in 16 adult service organizations and 17 schools to learn what strategies they use to facilitate natural supports among employers, co-workers, friends, and families. They found that strategies for involving employers and co-workers in job training and support include:[35]

- Arrange for employees with disabilities to go through the same orientation process as any new employees.

- Look for any situation in which a co-worker seems receptive or shows interest, and try to foster or nurture a relationship between the individual and the consumer.

- Explain the support needs of the employee to co-workers and simply ask co-workers to assist.

Friends and family members can also be encouraged to offer job support:[36]

[35] Drawn from Hagner, Butterworth, and Keith (1995), Table 6.

[36] Drawn from Hagner, Butterworth, and Keith (1995), Table 4.

- Ask families to help with job support needs, such as getting ready for work, money management, clothing, grooming, reinforcing some behavior, or emotional support/ encouragement.

- Hold meetings with families to discuss the job, including informal "circle of friends" or "circles of support" meetings.

- Ask families for help with transportation.

Implications for TANF. Natural supports would likely help hard-to-employ TANF recipients transition to work and maintain employment. As noted above, impediments to transitioning to work include adapting to the workplace environment and meeting the demands of the job. Natural supports address both issues. For example, a designated "buddy" would serve as the point person for questions ranging from workplace etiquette (e.g., what to wear, how to approach or interact with supervisors) to methods for completing assigned tasks. Case managers could encourage employers to develop workplace mentors for newly employed TANF recipients.

In addition, natural supports can address the issue of overcoming resistance to work among friends and family. A psychiatrist in Washington, D.C., offers the following example of a young, unmarried TANF recipient who tried to leave welfare for work:

> She had to tolerate tremendous conflict . . . as she struggled with the feelings of isolation resulting from her rejection of the values of her social peers, who accused her of trying to be "uppity." The support of her supervisor at work proved to be critical and invaluable in helping her to resist such social and psychological pressure (Benoit, 1997).

The challenge for the TANF community is helping to develop natural supports for hard-to-employ clients, both on the job and on the homefront.

4. Specialized Job Search and Placement

Supported employment and natural supports are models for providing employment services to people with disabilities. The disability community has worked actively to create a system of employers to hire people with disabilities: Projects with Industry.

The Projects with Industry program (PWI) was created as part of the Rehabilitation Act of 1973. It aims to promote competitive employment for people with disabilities by creating partnerships between business, industry, labor, and the rehabilitation community. PWI also provides placement resources. The U.S. Department of Education provides approximately $22 million annually to fund 125 projects that vary in scope and focus. Some projects are national, others regional or local. Some focus on specific target groups of people with disabilities, such as youth, elderly, or individuals with specific types of disabilities. Projects are run by a wide variety of organizations, including major corporations, unions, rehabilitation facilities, advocacy organizations, and national trade organizations. Examples of community-based organizations that run PWI programs include:

- International Association of Machinists and Aerospace Workers, which provides job readiness, assessment, customized training, job placement, and follow-up services to unemployed adults and youths with disabilities.

- Paraquad, Inc., which provides comprehensive job-seeking skills training, including assistance with resume cover letter writing, networking, electronic job search resources, interviewing techniques, and job development/placement and retention services (The Lewin Group & Berkeley Planning Associates, 1999).

PWI services available to individuals with disabilities vary from project to project depending upon the population served and the type of project. Services generally include intake and evaluation, pre-vocational counseling, training to enhance job-seeking skills, vocational training, job development, and job placement. The program emphasizes job training provided in realistic work settings, generally within commercial or industrial establishments. Some projects, for example, arrange for clients to participate in the training businesses provide for their own employees. Supportive services to enhance the pre- and post-employment success of participants are also an integral part of each project. According to the Department of Education, while projects offer a range of services, nearly all act as placement services for their communities. In fact, employer interviews indicate that the most common reason for involvement with PWI was to find qualified employees.

PWI differs from other job placement programs in several respects. First, and foremost, business is recognized as a full partner in the process. Each project has a Business Advisory Council with representation from private industry, organized labor, and individuals with disabilities and their representatives. The Business Advisory Council is responsible for 1) identifying job and career availability within the community, 2) identifying the skills needed to perform the jobs and careers identified, 3) prescribing training programs designed to develop appropriate job and career skills for people with disabilities, 4) providing appropriate training in realistic work settings to prepare participants for employment and career advancement in the competitive market, and 5) providing job placement and career advancement services (U. S. Department of Education, 1995). Besides providing the PWI with information about job opportunities and trends, Council members have provided resources such as trainers, curriculum, materials, computers, and office/classroom space.

Second, great care is taken to ensure that the needs of the employer are being met. Employers are the customer, and the PWI must meet the needs of this customer in order to assist participants in finding jobs. In addition to employee recruitment, the projects may offer employers services such as job site and equipment modification, assistance with understanding and meeting the requirements of the Americans with Disabilities Act, and the purchase of special aids, appliances or equipment adapted to the needs of the individual for use at the work site.

Third, projects have a high level of accountability to the funding agency, the Department of Education. The PWI program has standards and related performance indicators for evaluating grantees and determining eligibility for continuation awards. Projects are rated based on the proportion of their clients with severe disabilities or with a history of unemployment, the project's overall placement rate, cost per successful placement, actual placement rate compared

to projected placements, gain in client earnings, and proportion of successful placement of people with severe disabilities or prior history of unemployment.

PWI considers a placement to be successful if the participant maintains employment for 90 days after hiring. In FY 1993, PWI successfully placed 11,486 individuals with disabilities in jobs, at an average cost of $1,726 (U.S. Department of Education, 1995). Average cost per placement decreased from 1992 to 1993, despite slight increases over the same period in the number and proportion of participants with significant disabilities. The International Association of Business, Industry and Rehabilitation (I-NABIR), an advocacy organization for PWI projects, reports that the projects are cost-effective – for every dollar spent on services, PWI clients return $3.00 in the first year after placement in FICA, income tax, and reductions in public income supports (I-NABIR, undated).[37]

Implications for TANF. The welfare community has explored ways to involve employers in the welfare-to-work effort. For example, the Welfare to Work Partnership, launched in 1997, is an independent, national, non-partisan effort by businesses to help move welfare recipients into work. Its aim is two-fold: 1) to encourage businesses to hire welfare clients, and 2) to provide technical assistance and supports to companies that run welfare-to-work programs. Five companies founded the effort.[38] Today, the Partnership has are over 2,500 businesses participating (Welfare to Work Partnership, 1998). Like PWI, each business has a slightly different focus. For example, Marriott runs a 10-week, in-house training program for participants. Other companies use local one-stop career centers or Private Industry Councils to screen and train potential workers.

One concern within the welfare community is that efforts such as the Partnership will cream the most job-ready welfare clients, and that more difficult to serve clients would be left behind. Moreover, there was some question as to whether the short-term, on-the-job training and/or job placement assistance offered by many Partnership businesses would meet the needs of more disadvantaged TANF clients. The experience of PWI suggests that businesses might be able to successfully engage employees with significant barriers to employment. Case workers could explore how to link clients with PWI.

The PWI philosophy that employers are equal partners in the welfare-to-work process also accords with recent initiatives at the state level. Rhode Island, for example, offers tax credits and wage subsidies to businesses that train welfare clients on the job. A welfare-to-work agency in Milwaukee also negotiates with businesses. The agency provides tax incentives and training targeted toward the needs of the employer in exchange for commitments to hire TANF recipients. And, in Washington State, the workforce development agency in one community involves employers in the TANF job search orientation process, so that clients have a clear understanding of what to expect on the job (Lewin Group & Johns Hopkins University, 2000).

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[37] These figures, however, are not based on rigorous evaluations.

[38] United Airlines, United Parcel Services, Burger King, Monsanto, and Sprint.

CHAPTER 3: CASH AND IN-KIND SUPPORTS

A. Introduction

Many factors affect the decision of an individual on public assistance to work or seek employment. Specific barriers, such as transportation, child care, low basic skills, substance abuse, limited work experience, and mental and physical health problems, can prevent a public assistance recipient from working or maintaining employment. Other factors are less concrete, such as preferences for particular types of work and "reservation wages" (the wage that must be received in order to make work "worthwhile").[39]

Still other factors involve the rules governing public assistance programs. These include whether work activities are required as a condition of benefit receipt, if work affects the receipt of in-kind goods and services (e.g., food stamps, health coverage), and if tax policies affect wages and income (Cornell University & Lewin Group, forthcoming). These factors will be the focus of this chapter.

TANF and the programs that serve people with disabilities—Disability Insurance (DI) and Supplemental Security Income (SSI)—treat work differently. As noted earlier, TANF is time-limited and clients are required to engage in work activities after two years of benefit receipt or risk losing their benefits. They must choose whether to participate in the minimum level of mandatory work activities until they exhaust their five-year lifetime TANF benefits or whether they will look for full-time employment and leave public assistance as quickly as possible. SSI and DI have specific rules that enable recipients to work and not lose benefits.[40]

Although the treatment of work differs, there are policies from the disability field that may be applicable to the hard-to-employ TANF population. This chapter begins with a summary of current cash and in-kind support policies available to welfare clients. It then describes four programs from the disability field: health benefit extensions, earned income exclusions, the Plan for Achieving Self-Support, and Ticket to Work.

B. Current TANF Cash and In-kind Supports

In the pre-TANF environment, policies to "make work pay," such as the Earned Income Tax Credit (EITC), were discussed in terms of making employment more attractive than welfare. Today, choosing between welfare and work is not an option. Cash and in-kind supports such as the EITC serve a different role: helping women to provide an adequate standard of living for

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[39] That is, individuals must weigh the risk of continuing to search for a job offering their reservation wage against the risk of exhausting their resources, and being forced to accept any job.

[40] DI recipients have a 45-month period in which to test their ability to work without losing their eligibility for benefits. So long as recipients are eligible for cash benefits, they continue to receive Medicare coverage (Burkhauser & Wittenburg, 1996). SSI recipients can work and receive cash benefits and Medicaid so long as their conditions do not medically improve and their income, after applying the earned income disregard, leaves them eligible for cash SSI benefits. After a person loses cash benefits due to increased income, he or she continues to be eligible for Medicaid so long as medical expenses exceed the ability to pay. This determination is subject to standards set by the state of residence (Sweeney, 2000).

their families and move toward self-sufficiency. In addition to the EITC, other principle work supports available to TANF recipients include earned income disregards, transitional Medicaid, and food stamps.

- *Earned Income Tax Credit (EITC).* The EITC targets low- and moderate-income working families. When the federal credit was established in 1975, the original aim was to offset Social Security and Medicare payroll taxes.[41] Today, it is also an important wage-augmentation strategy. The EITC is a refundable tax credit.[42] If a working family's tax liability is lower than the amount of the credit, the IRS sends the family a check for the difference. Families that are eligible for the EITC but earn too little to owe federal taxes also receive a check (CBPP, 1998). In addition to the federal EITC, a number of states have created state EITCs, many of which are refundable.

- *Earned Income Disregards.* Earned income disregards enable welfare clients to increase their family incomes by allowing them to keep more of their earnings in addition to their TANF grants. Under AFDC, the disregard was $30 plus one-third of earnings.[43] Prior to welfare reform, however, a number of states obtained waivers from the federal government to increase earned income disregards. Under TANF, states can adopt any disregard structure they choose. Forty-two states have disregard policies that differ from the AFDC structure (Gallagher et al., 1998).

- *Transitional Medicaid.* Transitional Medicaid Assistance (TMA), an element of the 1988 Family Support Act, was designed to eliminate the work disincentive that arose from a lack of health coverage upon entrance into the workforce. PRWORA extends this TMA provision through 2001. The one-year period is divided into two segments. During the first six months of employment, former TANF recipients must be notified of their right to receive transitional assistance without reapplying (provided that they were previously eligible and receiving Medicaid). States are mandated to provide the same coverage that the family had formerly received, without imposing premiums. At the onset of the second six-month period, states must again give families notice of the availability of continued coverage. However, states are allowed to charge premiums, change the scope of coverage, or require alternative coverage. An additional application process is also required to continue coverage. After TMA, children continue to be eligible for Medicaid or the Children's Health Insurance Program (CHIP) if parental income remains low.

- *Food Stamps.* TANF recipients are eligible for Food Stamps. The size of the monthly Food Stamp allotment depends upon household size, ranging from $335 for a household of three to $767 for a household of eight. Former TANF recipients also are eligible for Food Stamps so long as their incomes and resources remain below certain thresholds. For example, a

[41] A number of states also have state earned income tax credits.

[42] In 1999, the credit for working families with one child, the maximum credit was $2,312 for those with earnings between $6,800 and $12,460. For families with two or more children, the maximum credit was $3,816 for those with earnings between $9,540 and $12,460. Childless workers can also receive a maximum credit of $347 for earnings up to $4,530 (Maryland Budget and Tax Policy Institute, 1999).

[43] Recipients were also able to disregard $90 for work expenses and up to $175 for child care expenses.

household of three can receive the benefit if their gross monthly income is under $1,504 (USDA, 1999).

C. Programs from the Disability Field

A number of policies offer cash and in-kind supports that aim to help SSI and DI recipients transition from program participation to workforce participation. Some policies enable recipients to keep health insurance until their earned income reaches a certain threshold. Others, such as earned income exclusions, the Plan for Achieving Self-Support, and the Ticket to Work, help recipients access services necessary to retain employment and move toward financial independence.

1. Health benefit extensions

DI and SSI programs have grappled with the health coverage issue for many years. High potential health care costs combined with an inability to obtain private health insurance influences a person's decision to exit the labor force and apply for DI and/or SSI to obtain medical benefits through Medicare and/or Medicaid. Likewise, DI and SSI disability program participants face a strong disincentive to leave these programs and return to work because their receipt of public health insurance is largely contingent on disability program participation. A survey of 1,200 leaders of major disability constituencies conducted by the President's Committee on Employment of People with Disabilities identified the fear of losing Medicaid/Medicare as the greatest barrier to the employment of SSI and DI program participants (GAO, 1996a).

In recent years, the disability community as well as federal and state policymakers have developed a variety of options for "de-linking" health insurance benefits from disability benefits by extending Medicare and Medicaid coverage to working people with disabilities. Key policy changes include:

- *Section 1619(b) of the Social Security Act of 1980.* This provision enables SSI recipients to retain SSI status for Medicaid purposes after earnings make them ineligible for cash payments.

- *Extended Medicare Coverage.* This allows DI beneficiaries to receive up to 39 months of Medicare coverage after the end of the 9-month trial work period. Recent legislation, the Work Incentives Improvement Act (WIIA), extends the period of Medicare coverage to 8.5 years.[44]

- *The Work Incentives Improvement Act (WIIA) of 1999.* WIIA loosens restrictions on states regarding who is eligible to buy into the Medicaid program. Under the act, states have the option to eliminate all income, assets, and resource limitations for workers with disabilities who buy into Medicaid. States will also be able to continue to offer the Medicaid buy-in to workers with disabilities, even if they were no longer eligible for DI or SSI due to medical

[44] WIIA goes into effect October 1, 2000.

improvement.[45] States are authorized to require individuals to pay premiums, or other cost-sharing charges, set on a sliding scale based on income.

Evidence suggests that health benefit extensions can increase work. The Lewin Group (1998) used Social Security Administration (SSA) administrative data on SSI recipients who had reported earned income in 1990 to test this hypothesis. Specifically, the authors examined whether increases in the earnings of some SSI recipients, after controlling for other factors, were associated with recent increases in the 1619(b) threshold. The authors found very strong evidence that some SSI recipients who worked substantially increase their earnings as the threshold increases; thus, suggesting that they restrained their earnings to stay below the 1619(b) threshold.

Implications for TANF. Health care can also be expensive for single parents with children. Studies conducted prior to TANF suggest that the loss of Medicaid coverage was a major deterrent to leaving welfare. Under PRWORA, families leaving welfare for work are eligible for one year of transitional Medicaid assistance. Low-income children are also eligible for coverage under the Children's Health Insurance Program (CHIP).[46] Many adults, however, have no health coverage after their transitional Medicaid expires.[47]

States could ensure that clients who are leaving welfare for work know about transitional Medicaid. When a case is closed, the welfare agency could send a notice to the family with a reminder that members may be eligible for Medicaid and advise them where to get additional information (CBPP, 1999). Another option would be to extend the period of transitional Medicaid coverage for adults who leave welfare for work.

A third option for providing health care coverage to working poor families exists in provisions of the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 that allow States to set their own income and resource disregards for the purposes of determining Medicaid eligibility. Under these provisions, States can expand coverage to include low income working families and still receive matching funds at their existing Medicaid match rate to serve the new population. For example, using this authority Rhode Island expanded Medicaid coverage to parents with incomes of up to 185 percent of the federal poverty level. (CBPP, 1998).

Another approach would be modeled after the WIIA. Adults could purchase Medicaid coverage on a sliding fee scale. Thus, as income rises, so too would the cost of the insurance.

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[45] States have the option of offering buy-in coverage to workers earning greater than 250% of the federal poverty line.

[46] The Balanced Budget Act of 1997 provided $24 billion in federal funds over five years for state CHIPs. Health coverage to children under age 19, whose family incomes are below 200% of the federal poverty line, can be provided through a state's existing Medicaid program, through a new program, or a combination of both.

[47] According to the evaluation of California's welfare program Greater Avenues for Independence, only 25% of welfare recipients who found jobs had employer-provided private health insurance over a period of two or three years (Moffitt & Slade, 1997).

However, TANF recipients would not face a "cliff" after which point medical assistance would be phased out completely.

Finally, states could expand adult access to health care through the CHIP program. On July 31, 2000, the Health Care Financing Administration (HCFA) issued a letter to state health officials that provided guidance on how to apply for CHIP demonstrations under section 1115 of the Social Security Act. One demonstration option outlined was extending health coverage to low-income parents of the children already being enrolled in Medicaid and CHIP (HCFA, 2000).[48]

2. *Earned Income Exclusion/Section 1619(a)*

The SSI program enables participants to combine work and benefit receipt by excluding a proportion of earned income for the purpose of benefit calculation. The first $20 of general income (earned or unearned) is excluded. Then, the first $65 of earned income plus 50% of the remaining earned income is disregarded before calculating SSI benefits (SSA, 1999). As noted earlier, participants are eligible for SSI so long as their earnings do not exceed the substantial gainful activity (SGA)[49] level ($700 per month). Under Section 1619(a) of the Social Security Act, individuals can receive SSI even after their earnings exceed the SGA level.

Combining work and SSI benefits generally results in more income for the participant (see Exhibit 3.1). Consider the example of a SSI recipient works and earns $360 per month.

[48] To be eligible for a section 1115 waiver demonstration, states must have had at least one year of experience providing health care to children under CHIP and must be willing to evaluate their demonstration. In addition, the state must be covering children up to age 19 with family incomes up to at least 200% of the poverty level. At all times during the demonstration, the state must be enrolling children on a statewide basis and cannot have a waiting list or otherwise close enrollment to children (HCFA, 2000).

[49] According to the Social Security Administration, "the term 'Substantial Gainful Activity' is used to describe a level of work activity that is both substantial and gainful. Substantial work activity involves the performance of significant physical or mental duties, or a combination of both, which are productive in nature. Gainful work activity is work performed for remuneration or profit; or work of a nature generally performed for remuneration or profit; or work intended for profit, whether or not a profit is realized. For work activity to be substantial, it need not necessarily be performed on a full-time basis; work activity performed on a part-time basis may also be substantial" (SSA, 1997).

Exhibit 3.1
SSI Earned Income Exclusion

SSI Policy	Total Income
Federal benefit, no earnings	$512
Federal benefit, plus earnings	Earnings ♦ $360 Income disregarded ♦ $20 + $65 + $138 = $222 Income counted ♦ $360 - $222 = $138 SSI payment ♦ $512 – $138 = $374 Total income ♦ $374 + $360 = $734

Without earnings, the beneficiary would receive $512 per month. With earnings and the earned income exclusion, monthly income is 44% higher ($734).

Implications for TANF. Earned income exclusions, or disregards, are not new to the welfare community. The amount and nature of the disregard differs significantly by state, however. Some states disregard a flat percentage of income. Illinois, for instance, disregards 67% of earnings. Other states adopted a flat dollar amount. Wyoming disregards $200 for single parents. Still other states combine the two. Rhode Island, for example, disregards $170 plus 50% of the remaining income (Gallegher et al., 1998).

The recent evaluation of the Minnesota Family Investment Program (MFIP) also demonstrates the utility of an income disregard. The program provided financial incentives that rewarded work and required clients to participate in employment-focused services. For example, MFIP participants could receive welfare until their incomes reached 140% of the poverty line. The control group, which received AFDC, faced sharp benefit reductions if they worked while on welfare.[50] For MFIP participants, childcare subsidies were paid directly to the provider; AFDC participants had to be reimbursed through their grants. The evaluator, Manpower Demonstration Research Corporation (MDRC) found that MFIP produced large increases in employment and earnings, and reduced poverty. Employment among the MFIP participants, for instance, was 35% higher than among the AFDC group, while earnings were 23% higher. The evaluators also found that the improved economic circumstances of families led to positive outcomes on a number of adult and child well-being measures, including less domestic abuse,

[50] For example, a woman who earned $520 per month had her AFDC and Food Stamp benefits reduced by $407 (Knox, Miller & Gennetian, 2000).

increased marriage, better school performance for children and fewer behavioral problems (Knox, Miller, & Gennetian, 2000).

Although earnings disregards are beneficial from the standpoint of total income, some in the welfare community fear that disregards will cause women to stay on TANF longer than they might otherwise do so, thus putting them at risk of exhausting benefits. An employed TANF recipient generally has two options: remain on welfare and disregard a portion of income, or leave welfare and rely solely on earnings. While the former group may have higher income in the short-run, they may use up their time-limited benefits. The MFIP evaluation cited above found that the more clients in the MFIP experiment group than the control group received welfare in each quarter of the study.

A number of states have responded by changing their TANF programs to accommodate mixing work and benefits. In Rhode Island, the time clock is turned off as long as clients are working. In California, the time limit applies to adults only, so children can remain on the grant until their 18th birthdays. Welfare units—even if child-only—are eligible for the earned income disregard, which is $225 plus 50% of earnings. Exhibit 3.2 depicts how the disregard works for a California woman with two children who is employed 32 hours per week at a wage of $6.50 per hour.

Exhibit 3.2
Mixing Work and Welfare

California Policy	Total Income
Pre-time limit	Grant ♦ $596 per month (parent and two children) Earnings ♦ $832 Income disregarded ♦ $529 Total income (grant plus disregarded earnings) ♦ $1,125
Post-time limit	Grant (two children) ♦ $397 Earnings ♦ $832 Income disregarded ♦ $529 Total income (grant plus disregarded earnings) ♦ $926

In both cases, total income under the disregard policy is higher than earnings.

3. *Plan for Achieving Self-Support (PASS)*

SSA developed the Plan for Achieving Self-Support (PASS) to help SSI recipients work by allowing them to set aside income and/or resources for a specified period of time for a work goal. For example, a person could set aside money for education, vocational training, or starting a business. The ultimate goal must be a job that is expected to produce enough earnings so that dependency on SSI will decrease. The income set aside for PASS does not reduce SSI benefits, nor does it count against the SSI resource limit ($2,000 for an individual or $3,000 for a couple) (SSA, 1999).

A SSI recipient interested in a PASS begins by choosing a work goal and deciding on the services that will be needed to reach that goal. For example, someone interested in computer programming might decide the best route would be a college degree, a two-year vocational program, or buying a computer. Vocational rehabilitation counselors can help a SSI beneficiary determine his or her goal and the appropriate steps. After the goal is chosen, the recipient gets a cost estimate (e.g., tuition, price of a computer) to determine how much to set aside each month.

Savings from a PASS can be used for a number of services (SSA, 1999). Examples include:

- Supplies to start a business
- Tuition, fees, books and supplies for school/training
- Employment services, such as payments for a job coach
- Child care expenses
- Equipment and/or tools to do the job
- Transportation to and from work
- Uniforms, special clothing, and safety equipment.

Although the PASS program makes sense intuitively, there has been no evaluation of its success at increasing employment. GAO (1996b), however, did study the implementation of the program and noted some areas for concern. The agency suggested that minimal staff training and the lack of specific criteria by which to assess the appropriateness of plans or to measure their success could undermine program goals.

Implications for TANF. A PASS could be useful to a TANF recipient. PASS differs from the earned income disregard in that it is targeted directly towards work. Under the general income disregard, a portion of a TANF client's earned income is disregarded when calculating TANF benefits. Many in the welfare community consider the earnings disregard an attractive policy because welfare recipients can gain work experience without losing their safety net, and possibly gain skills that might help secure a higher paying job in the future. The income that is

disregarded can be used for any purpose—food, rent, childcare, leisure, etc. It does not have to be used for a self-sufficiency promoting activity.

The PASS, on the other hand, would require a client to draft an employment goal and think through the specific steps needed to reach that goal. In accordance with PASS guidelines, the goal should be a job that pays a sufficient wage to reduce public assistance payments, with the ultimate goal being self-sufficiency. For example, a client might want to start an in-home word processing or secretarial business. To accomplish this goal, she determined that she will need to do the following: buy a computer, buy a printer, get e-mail and internet access, buy a fax machine, take courses to learn advanced word processing, graphics, and document lay-out software, and buy an answering machine. The cost of the computer, printer, fax machine, answering machine, and computer courses would be disregarded from her earnings. Moreover, the purchased equipment would not count against her asset limit.

PASS could also help ameliorate many of the previously discuss barriers to employment. A TANF client could use PASS funds for childcare. PASS could be used to help solve transportation problems by contributing to a car or paying for bus passes or van pools. For clients who have difficulty maintaining a job due to lack of hard skills, PASS could be used to pay for education courses, training, or personal coaching on the job.

The PASS is similar to an initiative underway in the welfare community: Individual Development Accounts (IDAs). IDAs were authorized under the Assets for Independence Act of 1998. Sixty non-profit organizations received grants to administer IDAs; 13,500 low-income individuals have been served. IDAs allow a client to save earned income for a home, post-secondary education, or a new business. Savings are matched at a rate of $0.50 to $4.00 per dollar (ACF, 2000b).[51] A Savings Plan Agreement is drawn up between the participant and an official with the grantee organization. The PASS, however, has more flexibility. IDA funds cannot be withdrawn before six months from the time of deposit. The participant and a grantee official must provide written approval, and the funds must be used for one of the four designated purposes.

TANF agencies interested in the PASS program, however, should take into account the findings of the aforementioned GAO implementation study. Specific steps an agency can take to strengthen implementation include: clarify the goals of the program; standardize the program (e.g., the application and reporting guidelines); and, train field staff to evaluate the feasibility of proposed work goals uniformly (GAO, 1996b).

4. Ticket to Work

Signed by President Clinton on December 17, 1999, the Ticket to Work and Work Incentive Improvement Act (WIIA) is intended to address a number of the work disincentives inherent in the DI and SSI programs.[52] The program provides DI and SSI recipients with vouchers for

[51] Over the course of five years, individuals can receive up to $2,000 in Federal matching funds; households can receive up to $4,000 (ACF, 2000).

[52] The program goes into effect in early 2001.

rehabilitation and employment services, expanded Medicaid and extended Medicare eligibility, improved work incentives outreach to disseminate accurate information to beneficiaries, a demonstration to study the effect of changing the DI benefits schedule, and the elimination of other work disincentives. Ticket to Work aims to expand the employment and training opportunities of beneficiaries by expanding their access to a wide variety of rehabilitation services.

Ticket to Work amends the Social Security Act to establish a SSA Ticket to Work and Self-Sufficiency Program. The program will provide disability beneficiaries who are appropriate candidates with a voucher, or ticket, to be used to obtain vocational rehabilitation or employment services. The provider is paid based on a combination of the outcomes of the case, in the form of disability benefit savings, and treatment plan milestones attained by the beneficiary. During the time when a beneficiary is using a Ticket to Work, SSA is prohibited from initiating a continuing disability review (CDR), the periodic review which determines whether a beneficiary is still medically eligible to receive disability benefits. This provision aims to reduce the risk a person faces when he or she enters a vocational rehabilitation program. By prohibiting the initiation of a CDR for those engaged in vocational rehabilitation, the provision ensures that people will not avoid rehabilitation services for fear that their participation will make them ineligible for disability benefits.

Implications for TANF. The Ticket to Work program accords with the current policies of the workforce development system. Under the Workforce Investment Act (WIA) of 1998, numerous employment and training programs[53] were consolidated into a locally driven workforce development system. Under WIA, each local partnership must establish a one-stop service delivery system that provides multiple services, including job search, work preparation, career development, and access to employment and training programs. WIA legislation requires one-stops to use "individual training accounts," or vouchers, to pay for training. The vouchers are similar to the Ticket to Work concept. They can be used at any provider on the local workforce board's approved list of providers, and multiple types of training are available. Training can include basic skills training, occupational skills training, on-the-job training, customized training, and cooperative education programs (ICESA, undated).[54]

Ticket to Work vouchers could be useful to the TANF community as well. Like the PASS, the vouchers would enable beneficiaries to craft their own employment plans. Unlike PASS, the voucher would not have to come out of a recipient's own savings. The client could select services from a network of providers based on her needs. The voucher could be constructed in such a way as purchase a wide range of services, from education and training to counseling and other barrier amelioration activities. The provider has an incentive to offer services tailored to individual needs, because payment is based largely on outcomes.

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[53] WIA rewrote the federal laws governing the Job Training Partnership Act, adult education and literacy, and vocational rehabilitation.

[54] Customers who are unable to find employment through "core" services, namely assessment and job search, are eligible for intensive services, which may include training.

The Ticket to Work program remains untested. However, for the program to succeed, researchers and welfare agency staff alike suggest that two pieces must be in place. First, there need to be a number of training/program options available. Without choices the program will likely not succeed. Second, clients will need assistance from case workers to determine the appropriate options for them.

CHAPTER 4: TRANSITIONAL SUPPORTS

A. Introduction

Entering the workforce for the first time, or after a long absence, can be a daunting task. The types of challenges welfare recipients face when beginning work include adapting to the new costs and demands of working, meeting the demands of the workplace (fitting into the workplace culture, meeting performance standards, and adjusting emotionally), and dealing with the lack of support by family and friends (Haimson, Hershey, & Rangarajan, 1995, as cited in Brown, 1997). Once employed, remaining on the job can also be difficult. Some recipients will need few services to maintain employment. Others will need short-term transitional services to help them navigate the supports they will need to stay employed. Still others will need long-term support.

As Chapters 2 and 3 described, numerous work supports are available to people with disabilities, including job coaches, workplace accommodations, and health benefits. Many of these services, however, do not last indefinitely. Job coaches, for example, are intensive, expensive supports. Although research suggests that they can be effective at helping people with disabilities learn the vocational and social aspects of work, the disability community has been struggling with the issue of when to "fade" or reduce and ultimately end services. As researchers note, a person with a disability may perform well on the job as long as a job coach is providing support. But the individual's work may suffer once coaching services are faded. Areas where individuals need extended services include monitoring work performance, job changes or career movement, crisis intervention, and integration into the worksite (VCU, 1997b).

The first section of this chapter describes the types of transitional supports available to TANF recipients. The next section discusses interventions that are designed to help people with disabilities transition to work as well as maintain employment. These include centers for independent living, case management services, and transition plans targeted towards youths.

B. Current TANF Transitional Supports

The nature of transitional services available to TANF clients varies from state to state and welfare agency to welfare agency. In some states and localities, services are limited to job clubs or other job search assistance. In other areas, there is a comprehensive set of services designed to help clients find work and then juggle the demands of employment and home life. Some of the more common supports include:

- *Case management.* Case management often begins prior to employment and continues for some period after employment. In the initial stages, a case manager may focus on helping a client conduct a job search, make referrals for remedial education, and help alleviate barriers to employment (e.g., helping to find child care). Following employment, case managers help to reduce the frequency of job loss and facilitate re-employment. Employment assistance is a relatively new role for most welfare eligibility workers, or those who are the primary contact for women entering the welfare system. In the past, these front-line workers were concerned with timely processing of applications.

- *Life skills training.* Because many welfare recipients have little recent work history, they may be unfamiliar with the demands and requirements of the workforce and may need assistance in learning how to balance work and family. Life skills training to facilitate employment and increase the likelihood of job retention might include assistance with: budgeting, job etiquette, developing goals and recognizing personal challenges, changing destructive habits and building self-esteem. Life skills training classes also play a role in motivation, the assessment of participants, and identification of those in need of more intensive services as program staff work closely with participants on a highly personal level (Pavetti et al., 1996).

- *Peer support groups.* Support groups comprised of other participants who are going through similar changes can boost client morale and provide assistance in dealing with crises that may arise. They may be narrowly focused on one issue such as relationships, parenting, or substance abuse, or they may deal with more general issues such as those taught during life skills sessions. Support groups may help participants plan for emergencies before they happen. Since the inception of support groups in the Chicago Commons program, case managers have had to deal with fewer emergencies because participants know that they have a scheduled time to discuss pressing issues (Pavetti et al., 1996).

C. Programs from the Disability Field

1. Centers for Independent Living

Centers for independent living (CILs) are ***non-residential***, consumer-controlled, community-based, private, non-profit organizations. CILs provide services to individuals with disabilities aimed at promoting independence, productivity, and quality of life. Centers provide four core services: Information and referral, independent living skills training, peer counseling, and advocacy. Exhibit 4.1 describes sample activities within each core area. At least one CIL is located in each state, as well as the District of Columbia. Each year, the CILs serve over 100,000 individuals with significant physical and mental disabilities (U.S. Department of Education, 1996a).

Exhibit 4.1
Centers for Independent Living Services

Service	Activities
Information and referral	♦ Provide information about housing, transportation options, income support programs, and other service programs ♦ Help people with disabilities who may have limited knowledge of fragmented service systems to navigate the system
Independent living skills training	♦ Manage a personal budget ♦ Use the public transportation system
Peer counseling	♦ Staff with disabilities provide assistance and support to consumers who are coping with physical and attitudinal barriers
Individual and systems advocacy	♦ Activities designed to help the individual consumer in dealing with barriers to programs or services ♦ Activities aimed at fighting against disability-based discrimination in programs and services

Source: The Lewin Group & Berkeley Planning Associates, 1999.

One of the strengths of the CILs is their ability to respond to needs and service preferences of individuals in diverse communities. CILs tend to display considerable variation in service programs, staffing arrangements, and other characteristics. These variations allow for appropriate responses to consumers in communities with different levels of services available, and create opportunities for innovation that may be lacking in more proscribed service models (Smith, Freiden, & Richards, 1995).

CILs also vary in the ways in which they provide services that are relevant to employment. In the broadest sense, the centers provide basic supports that make employment possible for people with some disabilities (including advocating for provision of personal assistance services in the workplace). Some CILs do include vocational and employment services in their mix of programs.

Implications for TANF. Entities such as CILs could help hard-to-employ TANF clients transition from welfare to work. Two of the core services--life skills training and peer support—are often critical services for women who leave welfare for work, a common transitional support strategies for welfare offices.

Many state and local welfare departments are already turning to community-based organizations to provide job retention and advancement services, including life skills and support groups, to newly employed TANF recipients. CILs could serve a similar function. They already have experience working with clients who face similar work-related barriers to TANF recipients, such as substance abuse and mental health problems. Even in the absence of formal or informal arrangements with the welfare community, CILs could serve as general

community resources for a host of questions that might arise for someone new to the labor market. Staff could help direct clients to service providers in the community for problems ranging from transportation to child care. Since CILs are community-based, they could serve a larger population than current TANF recipients.

2. *Case Management*

Case management services for people with disabilities address a range of client issues. These include improving symptomatology, quality of life, social skills, and social support; increasing income; reducing hospitalization; and, improving compliance with medication (Solomon & Draine, 1995).

The disability community has experimented with innovative methods for providing case management services to its clients. The types of services vary, from less intensive referrals to community providers, to more intensive rehabilitation services. The literature suggests that factors associated with positive outcomes include early intervention, the empowerment of the client, the training and experience of the case manager, use of appropriate services in a correct sequence, and continuity of care (Washington Business Group on Health, 1994). Studies in the mental health field, for example, have found that while less intensive models of case management services can increase clients' connection with and use of mental health services, more intensive services have led to increased daily functioning and more independence (DHHS, 1999). For instance, the Training in Community Living model aims to help people with severe mental illnesses avoid hospitalization and become integrated into the community through team-based case management services. A team provides a range of medical, psychological, and rehabilitation services to help the client manage medication and offers one-on-one counseling. Evaluations have found that the model can help clients avoid hospitalization, live independently, and improve their reported satisfaction with life in general. Less, however, is known about the model's ability to increase employment (Kuntz, 1995).

More recently, a different model was launched specifically to test the effects of case management on employment status and disability benefit receipt. In 1992, SSA and the DHHS Assistant Secretary for Planning and Evaluation (ASPE) collaborated on Project NetWork, a case management approach to increasing employment among DI and SSI beneficiaries. The demonstration tested four models for providing case management and employment services:

- Model 1: SSA case manager model, in which SSA case managers were located in SSA field offices;
- Model 2: Private contractor model, in which private sector case managers were contracted by SSA to provide services;
- Model 3: Vocational rehabilitation outstationing model, in which state VR case managers were under contract to SSA; and
- Model 4: SSA referral manager model, in which clients were referred to services through SSA field offices.

Case management services included medical, psychological, and vocational assessments; individual employment plans (IEPs); return-to-work services; and, on-going counseling and monitoring. IEPs were written documents prepared by the case manager and client that outlined the client's vocational goals and the services that would be provided. It also described the responsibilities of both the case manager and client in reaching the employment goals, and was signed by both parties (Leiter, Wood, & Bell, 1997).

In addition to case management services, Project NetWork contained work incentives. Waivers prevented the suspension or termination of disability benefits for at least one year after beginning program participation.[55] Also, the first 12 months of participation did not count towards the DI trial work period. SSI beneficiaries were not subject to a continuing disability review.

The program had modest positive results on employment and earnings during the first two years. Project NetWork increased the percentage of people who reported that they received employment, training, and rehabilitation services by six percentage points (75% of the treatment group compared to 69% of the controls).[56] Average earnings increased $220 per year, or approximately 11%.[57] Total months employed during the first two follow-up years also rose from 3.5 to 4.2.[58] There was no significant reduction in receipt of SSI or DI benefits. The authors surmise that this finding may be due to the waivers that prevented benefit termination for program participants (Kornfeld, Wood, Orr, & Long, 1999).

Of the different models, model 3 (outstation model) appeared to have the most positive results during the first two years. Annual earnings for program participants increased $538.[59] This finding, however, was driven by the large gain in one of the two sites (New Hampshire). Participants in the New Hampshire site also had smaller monthly SSI benefits[60] and fewer months on SSI (Kornfeld, Wood, Orr, & Long, 1999).[61] The evaluators caution that differences between the program models cannot be attributed solely to the intervention. Because each model was implemented in a variety of cities, differences in outcomes also could be due to the strength of local economies, differences in populations served, and the experience of staff.

The disability community also has experimented with using peers as case managers. A program in New York State, for example, tested three models of intensive case management for people with serious mental illnesses: A case management team with a peer specialist, a case management team with a non-peer assistant, and case managers only.[62] Services to clients in

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[55] Waivers applied to both experimental and control group participants.

[56] Statistically significant at the 5% level.

[57] Statistically significant at the 5% level.

[58] Statistically significant at the 10% level.

[59] Statistically significant at the 1% level.

[60] Average benefits declined $8 per month (significant at the 10% level).

[61] Percent of months on SSI decreased by 2.3 percentage points (significant at the 10% level).

[62] Units at the Bronx Psychiatric Center were randomly assigned to a treatment condition.

all three groups included counseling, crisis intervention, training, family interventions, coordinating with outside service providers, and advocacy. Clients met at least four times per month with case managers. Peer case managers also worked one-on-one with their clients to share their personal experiences with mental illness and strategies for recovery. Compared to clients served by the other two teams, clients served by case managers and peers had statistically significant improvements in the areas of quality of life, satisfaction with living situations, and fewer life problems. It is not clear, however, whether these gains translated into better employment outcomes.[63] The authors did note that the clients served by peer case managers were less likely to report that poverty was a major life problem (Felton et al., 1995).

Implications for TANF. Case management, of course, is not new to the welfare field. In the TANF community, like the disability field, it is viewed as a necessity. The type and content of case management, however, varies considerably among TANF agencies and disability program providers.

The research on case management in the disability community is limited. One lesson seems to be that the type of case manager might have a positive effect on participant outcomes. The experience in New York suggests that peers can help improve the quality of life for people with disabilities. The findings from Project NetWork indicate that the specialization of the case manager might contribute to improved client results. The model that utilized vocational rehabilitation counselors, who generally focus on employment-related issues, had better outcomes than the models that relied on SSA case managers, who likely deal with a range of issues in addition to employment. Perhaps the welfare community could experiment with utilizing workforce development center case managers in welfare field offices.

3. Youth Transition Plans

One area in which the disability community has increasingly invested time and effort is in helping young people transition from school to adult life. The disability community recognizes that a student with disabilities will suddenly be faced with a host of challenges after leaving school. Often, a new agency provides vocational and health services. Living arrangements need to be worked out. Employment sites or post-secondary education facilities need to be identified.

Planning for the transition to adult life begins well before the student leaves school. The 1990 amendments to the Individuals with Disabilities Education Act (IDEA) addressed the fact that young people with disabilities often failed to make a successful transition from secondary school to a self-sufficiency activity. The law mandates that, by no later than age 16, each student's individualized education plan (IEP) include transition services. IDEA defined transition services as a coordinated set of activities for a student, designed within an outcome-oriented process, which promotes movement from school to post-school activities. These include: post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, and community participation.

[63] The study did not report on employment.

In addition to the individual, the IEP team includes a number of natural supports, such as representatives from the school, the family, and community agencies, as needed, and is responsible for implementation of the plan. The U.S. Department of Education (1996b) reviewed research on effective in-school transition programs and found that they generally include an integrated network of family members, schools, employers, and other stakeholders (e.g., "transitional specialists"). The stronger the connection between these stakeholders, the more effective the transition program is in moving youth with disabilities from school to work.[64] The team determines the curriculum that will assist the student in mastering skills needed in adult environments. These skills may include job seeking and job retention skills, occupational skills, social skills, self-advocacy, and independent living skills. Successful transition involves complete, ongoing assessment of each individual's strengths, weaknesses, and needs (Cornell University & Lewin Group, 2000).

Conley, Azzam, and Mitchell (1995) evaluated six transition to work demonstration projects.[65] The major transition services provided were Student Centered Planning (SCP), job experience, job placement, and transition from the school system to a provider of adult services (e.g., state MR/DD program). SCP was the cornerstone of the intervention. It aims to outline a student's goals, plan his or her future, identify necessary skills and behavior changes, and the supports that will be needed. In that sense, it is similar to the IEP. SCP involves school personnel, project personnel, and the immediate family of the student. A non-experimental evaluation[66] assessed the outcomes of 335 students with severe disabilities.[67] Findings suggest that supports can help students' transition to employment. Of those who had left school, 60% were working. In addition, 35% of those still in school were employed. Earnings were generally at or above the minimum wage. However, few worked 40-hour weeks. Hours worked ranged from 10 hours per week in the New Hampshire site to 29 hours per week in Massachusetts.

The Department of Education also measured the performance of transition services with the National Longitudinal Transition Study (NLTS), which followed a sample of more than 8,000 youth who were between the ages of 13 and 21 and were enrolled in high school during the 1985-86 school year. This study found that, as of 1991, students who graduated from high school (56% of the sample) and who took vocational education in their last year of high school or had work experience as part of their vocational training, were significantly more likely than other youth to be competitively employed after high school (SRI, 1991). Analysis of the NLTS also found post-school outcomes for youths with disabilities were related to transition goals. Twelfth graders who had transition goals related to competitive employment were more likely

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[64] The Department of Education noted that fostering communications between multiple partners (e.g., schools and employers) and transition specialists (e.g., guidance counselors) can aid in improving these links.

[65] The projects were funded by the Assistant Secretary for Planning and Evaluation, DHHS. The sites were in the following states: Massachusetts, California, Oregon, New Hampshire, Minnesota, and Maryland.

[66] Data collection was not uniform for the six sites. Findings were based on interviews with staff, families, and employers at each site.

[67] About 70% of the students were age 19 or older; 60% were male. The primary disability for 82% was mental retardation.

to find jobs after graduation than students who did not outline employment as a goal (SRI, 1997).

Implications for TANF. Although these holistic plans have been used in the disability community to help youths transition from school to adulthood, they could also serve youths in the welfare community. Research conducted prior to TANF indicated that the age of a woman at the time of her first birth was associated with welfare receipt. Data from the AFDC program indicates that over half (53%) of AFDC payments were made to families that began with a teen birth (Alan Guttmacher Institute, 1994). The economic situation does not improve for many of these women, in part because adolescent mothers are less likely to complete high school.[68] PRWORA addressed the connection between young parenthood, educational attainment, and welfare dependency by requiring unmarried mothers under age 18 without a high school diploma or GED to be in school full time. Yet simply remaining in school until age 18 does not ensure that students will make a successful transition to adult life. In particular, the emphasis on college prep and academic classes at many high schools may discourage students who are not planning to go to college and leave them with few marketable job-related skills.

The infrastructure already exists in many communities to offer IEP-style services to school-aged TANF recipients. The Clinton Administration and Congress recognized that the post-secondary education system did not prepare all youth for a successful transition to adulthood, and in 1994 the School-to-Work Opportunities Act was signed into law. The Act provided seed money to states and localities to create partnerships among schools, businesses, labor organizations, government, and community-based organizations that focus on preparing students for high-paying jobs. States and localities have a great deal of flexibility in designing school-to-work systems, although each must contain three core elements: (1) school-based learning that is based on occupational skill standards, (2) work-based learning, including work experience and training/mentoring in a job site, and (3) connecting activities, such as matching students with employers and building bridges between school and work (U.S. Department of Labor, 2000a).

Preliminary research suggests that school-to-work programs can increase high school graduation rates, increase enrollment in post-secondary education, and increase post-high school employment rates.[69] However, it is not clear to what extent either TANF agencies or school-aged TANF recipients are involved in school-to-work efforts. Welfare staff could explore how to make these connections.

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[68] According to AGI (1994), only about 30% of teen mothers who dropped out of school either before or after their baby's birth eventually graduated from high school.

[69] For example, the students involved in the school-to-work program in Philadelphia had significantly lower drop out rates than students not involved in the effort (3.4% vs. 11.5%). In Boston, students involved in school to work had a higher post-high school employment rate (87%) than did students from other Boston schools (75%). Their hourly wages were also higher ($10.10 vs. $8.42) (U.S. Department of Labor, 2000b).

CHAPTER 5: LESSONS FROM THE DISABILITY FIELD

PRWORA changed the nature of welfare in ways that likely will not be fully understood for years to come. The 1996 law dramatically changed the orientation of the welfare system by replacing unconditional cash support with time-limited benefits and strict work requirements. The law creates an impetus for change among welfare recipients *and* welfare agencies. For welfare recipients to succeed under PRWORA, they will need to find long-term employment before their lifetime welfare benefits expire.

The challenge for welfare staff is to help a diverse group of clients transition from welfare to work. The welfare community is concerned that the hardest-to-employ clients, those with multiple barriers to employment, will be left behind in this new environment. As Chapter 1 noted, the research suggests that the women who remain on the welfare rolls tend to have education and work-related deficits, as well as a host of more personal problems, when compared with clients who left TANF. There is also a sense that the hard-to-employ population will likely need more intensive services than are currently available to help them access work.

The disability community has experience providing work and other supports to individuals with significant barriers to employment. This paper summarized the literature from the disability community on successful workforce interventions. As Exhibit 5.1 indicates, the strategies can be grouped into three categories.

Exhibit 5.1

Workforce Strategies

Service Cluster	Intervention
Employment Services	♦ Workplace accommodations ♦ Supported employment ♦ Natural supports ♦ Specialized job search/placement
Cash and In-kind Supports	♦ Health Benefits Extensions ♦ Earned income exclusions ♦ Plans for Self-Support (PASS) ♦ Ticket to Work
Transitional Supports	♦ Centers for independent living ♦ Case management ♦ Youth transition plans

The welfare community could draw several lessons from these efforts.

Lesson 1: Expectations are important.

The first lesson from the disability community is that expectations can play an important role in encouraging labor force participation.

The disability community has undergone a sea change in thinking regarding employment. Services that were initially offered to people who sustained physical injuries on the job have been expanded to help those with significant disabilities, such as mental retardation and psychiatric illness, access and maintain work.

Vocational rehabilitation services began in the 1920s to help those injured on the job to return to work. Following World War II, services were expanded to help those who sustained traumatic injuries (e.g., loss of a limb) return to work. For people with significant disabilities, such as mental retardation and psychiatric illness, employment services were generally limited to sheltered workshops, if they were provided at all (Schalock & Kiernan, 1997). These were less than attractive placements for a number of reasons. They included only disabled workers, wages were generally low (less than the minimum wage), fringe benefits were uncommon, and there was little opportunity for job growth (Wehman, Hill & Koehler 1979). In 1973, however, the *Rehabilitation Act Amendments* suggested that people with significant disabilities had employment potential. The *Developmental Disabilities Assistance and Bill of Rights Act of 1984* and the *Rehabilitation Amendments of 1986* further expanded the employment possibilities for individuals with disabilities. The former required state Developmental Disability Councils to make supported employment a priority; the latter defined supported work as integrated, competitive employment. Most recently, the *Americans with Disabilities Act of 1990* prohibited discrimination on the basis of disability in employment.

In short, expectations about work shifted 180 degrees. As expectations changed, so too did the labor force participation rates of people with disabilities. Whether the laws changed expectations, expectations created the impetus for law changes, or a combination of both is subject to debate. What is important to note is that people with significant disabilities are no longer viewed as a population that needs to be protected from the rigors of work. Instead, the focus is on the benefits of work to the individual and how it decreases social and physical isolation. Equally important is the change in the way in which staff view clients. As integrated employment became more common, staff became less likely to automatically place people with significant disabilities in sheltered workshops. The belief that people with disabilities are capable of work and have the right to work was instrumental in changing outcomes.

Work expectations have also changed in the welfare community. The AFDC program was based on the assumption that families without a father in the house needed a mother at home. Since AFDC was created in 1935, however, there have been numerous laws that sought to encourage work among welfare clients. The first federal effort, the 1967 *Work Incentive Program*, tried to promote work by providing AFDC recipients with education, training, work experience, and supportive services. The *1981 Omnibus Budget Reconciliation Act (OBRA)* encouraged states to experiment with their welfare-to-work programs by requiring AFDC recipients to work in community service jobs in exchange for their welfare grants. OBRA also

allowed states to operate diversion programs, in which welfare grants were used as wage subsidies to reimburse employers. The *Family Support Act of 1988* required AFDC recipients to participate in the Job Opportunities and Basic Skills program in exchange for education, employment, and support services.

None of these federal efforts resulted in a majority of welfare clients moving into the labor force, in part because many recipients were exempt from participation. PRWORA dramatically changed expectations. States can require anyone to work, regardless of the presence of small children, disabilities, or other barriers to work. Notably, the TANF law specifically incorporates the Americans with Disabilities Act.

The number of welfare recipients has decreased almost 50% since PRWORA became law, and many former recipients are working. The Census Bureau's Current Population Survey, for example, found that the proportion of individuals who reported AFDC/TANF receipt in one year and earned income in the next has increased steadily, from 19% in 1992 to 25% in 1996 and to 32% in 1997 (ACF/DHHS, 1998). In addition, a number of state-level studies of welfare "leavers" (those who left cash assistance for at least two months) have found that employment of current and former TANF recipients has increased significantly (ASPE/DHHS, 1999). Finally, there is evidence that more AFDC/TANF recipients are working while receiving benefits. The percentage of families on welfare with earned income increased from 7% in fiscal year 1992 to 11% in 1996 and 33% in fiscal year 1999 (ACF/DHHS, 2000c).

Whether changing expectations have led to increased employment among current and former TANF recipients is the subject of on-going research studies. The mandatory nature of the TANF work requirements leaves few options for clients who do not want to work. Some suggest the strong economy is an important factor in the increased labor force participation of TANF recipients and former recipients. However, strong economies of the past were not matched by such large declines in the welfare caseload.[70] It is also important to recognize the changing role of women in society at large. In increasing numbers, women—both married and single—have been combining motherhood and employment. According to the Census Bureau (1999), the proportion of married women with children under age 6 in the labor force increased from 30% in 1970 to 53% in 1985 to 64% in 1998. As more mothers worked, it became indefensible to many that a subset of mothers—those on welfare—should be paid to stay at home. Thus, like the disability community, expectations about welfare clients and work have shifted 180 degrees. Viewing work as a viable option for all welfare recipients is a necessary first step toward success.

Lesson 2: The modified "work-first" approach to employment can be successful for the hard-to-employ population.

In large part, the changing expectation surrounding work is reflected in the strong "work-first" rules of TANF. As noted in Chapter 2, TANF recipients must be engaged in work activities after two years (or earlier at state option) or risk sanctions. Twelve activities were defined by

[70] For example, after the recession of the early 1970s, the AFDC caseload decreased by 14% between 1977 and 1979 (U.S. House of Representatives, 1998).

PRWORA, most of which are designed for a work-first environment. These include unsubsidized employment, subsidized employment, work experience, on-the-job training, job search, and community services. Underlying the work-first approach is the assumption that job skills and good work habits are best learned in the workplace. This policy stands in direct contrast to the human capital development approach in widespread use prior to TANF. The conventional wisdom was that women with significant barriers to employment needed substantial education and training to prepare for the labor market. Case workers and recipients themselves often were averse to plunging directly into work. As a result, many recipients spent months or years cycling from one training program to another.

One lesson from the disability community is that a modified work-first approach can increase employment among a hard-to-employ population. Supported employment is a prime example. It adopts a "place-train" strategy, in which participants are placed in jobs and then learn the skills needed for those positions. The assumption underlying "place-train" is that the most effective way to learn skills is within the context of a job. The client experiences how a particular skill is relevant to the completion of a task. This type of learning makes skills less abstract.

It is important to note that simply placing a client in a job and offering minimal training is unlikely to result in a positive outcome; clients with substantial barriers to work will need support. The key component of the supported employment model, the job coach, plays multiple roles, all of which contribute to the success of the intervention. The job coach begins with job analysis and modification. The coach meets with employers, discusses the types of jobs available, and how the job duties might be adjusted to meet the needs of a worker with disabilities. The coach then teaches the job to the employee, often breaking the tasks into small steps.

Lesson 3: Some clients will need ongoing support to remain employed.

Hard-to-employ TANF clients face many barriers to retaining employment. Barriers faced on the job include little experience dealing with supervisors and co-workers, as well as failure to understand workplace culture. On the home front, clients must balance work, childrearing, and other domestic responsibilities. Like other TANF recipients, hard-to-employ clients will need supports such as child care, transportation, and medical insurance in order to work. However, many hard-to-employ TANF clients will also need more intensive, ongoing supports at work and home to maintain employment. A number of programs from the disability community offer on-going support. These include supported employment, natural supports, workplace accommodations, and centers for independent living.

Supported employment. In addition to helping a client learn the tasks associated with job completion, the job coach addresses issues that can potentially derail employment efforts, such as soft skills problems (e.g., how to respond to criticism, how to interact with a supervisor), and planning transportation. One drawback of supported employment is that the job coach is expensive and intrusive. Some also suggest that the job coach's presence impedes a worker's full integration into the worksite.

Natural supports. Co-workers and supervisors can provide assistance on the job, including serving as a role model for task completion and social performance, helping with task completion, teaching skills, and providing general support. Some within the disability community indicate that natural supports are more effective at integrating employees with disabilities into the work environment than are job coaches. Natural supports are less intrusive and build on the interactions that already occur among employees without disabilities. Natural supports also can be helpful on the home front. Friends and neighbors can potentially help with housekeeping, shopping, child care, and transportation. They can also offer emotional support. It is important to note that natural supports do not happen automatically. A job coach or others must facilitate them in the workplace.

Workplace accommodations. Instead of training a potential worker to acquire skills for a particular job, employer can adjust the job to fit the skills of the employee. Thus, if an employee with disabilities has trouble working with numbers, the part of his job that involves calculations could be transferred to another employee. In the TANF community, accommodations could include changes in interpersonal communication (e.g., having the supervisor put assignments in writing, breaking tasks down into steps), and schedule modifications that enable a parents to work around school or daycare hours.

Centers for independent living. Centers for independent living (CILs) focus more strongly on helping workers overcome personal issues that might derail employment efforts. Core services include assistance in managing a personal budget and peer counseling. They help people access supports they need, such as housing, transportation, and substance abuse treatment. The TANF community is already working with community-based organizations to offer job retention services. CILs could assist in this area.

Lesson 4: Some clients will need to mix benefits and work indefinitely.

The disability community recognizes that work is an important aspect of adulthood that connects people to their surrounding environments. However, the community also recognizes that work does not always result in self-sufficiency. The nature of the disability may affect the types of jobs available to DI and SSI beneficiaries, as well as the number of hours employed. Many beneficiaries will need continuous supports.

The welfare community is also concerned that work does not necessarily result in self-sufficiency. Research indicates that women do leave welfare for work, but the nature of the jobs makes self-sufficiency problematic. Rangarajan and her colleagues (1998) used the NLSY to analyze the employment patters of 800 women who found a job while on welfare or within three months of leaving. They found that the average recipient earned $6.50 per hour (1997 dollars), while 40% earned $5.50 or less. One-third worked in service-related occupations, while 26% worked in clerical jobs. Pavetti and Acs (1997) also used the NLSY to determine whether women who received welfare during their 20s transitioned to better jobs.[71] The authors found that only 25% of women who received welfare worked steadily in good jobs

[71] A "good" job was defined as a job that paid $8.00 per hour or more (1993 dollars) for 35 or more hours per week.

by their late 20s, and about 30% worked steadily in bad jobs. The prospects for recipients without a high school diploma were less promising: only 14% worked primarily in good jobs by age 27.

Thus, for some clients, the employment reality may be low-wage work. Supports currently available to women on welfare, such as Food Stamps and the earned income tax credit, are vital to helping working families succeed. But for some clients, these supports will not be enough. In the disability community, policy makers accept that for some people with significant disabilities, self-sufficiency is not feasible. Programs encourage work while letting clients keep th[illegible] benefits indefinitely. Examples are the general SSI earned income disregard and the more targeted Plan for Achieving Self-Support (PASS). SSI rules state that the first $20 of general income (earned or unearned) is excluded. Then, the first $65 of earned income plus 50% of the remaining earned income is disregarded before calculating SSI benefits. Under Section 1619(a) of the Social Security Act, individuals can receive SSI even after their earnings are at the substantial gainful activity level. They can continue to receive Medicaid even after their income exceeds the maximum possible to receive cash SSI assistance for as long as the state determines that they are not able to afford the cost of their medical care.

The Plan for Achieving Self-Support (PASS) disregard is more directly targeted toward self-sufficiency. SSA developed the PASS to help SSI recipients work by allowing them to set aside income and/or resources for a specified period of time for a work goal. For example, a person could set aside money for education, vocational training, or starting a business. The ultimate goal must be a job that is expected to produce enough earnings so that dependency on SSI will decrease. The income set aside for PASS does not reduce SSI benefits, nor does it count against the SSI resource limit. With a PASS, the individual determines the long-term goal and the steps that will help to accomplish it. The worker's earnings support the goal, and are disregarded for purposes of SSI benefit calculations.

Many states have adopted earnings disregard policies for TANF recipients that would enable them to increase their income by mixing work and welfare. As noted in Chapter 3, the Minnesota Family Investment Program (MFIP) offers generous earned income disregards while mandating participation in employment activities. The policy resulted in increased employment, increased earnings, and a reduction in poverty. Other positive outcomes included reduced domestic abuse, increased marriage, and, for children, better educational outcomes and fewer behavioral problems.

There is concern that earned income disregards and time limits do not mix. A family that earns more by combining work and welfare may be tempted to remain on welfare, thus risking the exhaustion of benefits. States are beginning to address this issue. As noted in Chapter 3, California's earned income disregard is $225 plus 50% of remaining earnings. The time limit applies to adults only, so after a parent exhausts her benefits, she can still receive a smaller grant for her children. So long as the household receives TANF (even a child-only grant), the earned income disregard applies. In effect, the parent can combine work and welfare until the youngest child's 18th birthday. In Rhode Island, the time limit clock is turned off so long as the client is engaged in work activities. In November 1999, the state determined that beneficiaries who work at least 30 hours per week (in unsubsidized or subsidized employment) are no longer under a time limit. For workers, the first $170 are disregarded, then the grant is reduced one

dollar for every two dollars earned. Illinois adopted a similar policy. The clock is stopped for women working in unsubsidized jobs for 30 hours per week. Two dollars of every three dollars earned is disregarded. The state pays TANF grants from its own funds.

The common thread in these proposals is that clients are expected to work to the best of their ability. If they do so, they will continue to receive income support.

Lesson 5: Employer involvement is crucial.

Many of the programs described in this report—workplace accommodations, supported employment, natural supports, specialized job search/placement—are not possible without the active participation of employers. They supply the jobs and the staff who often help people with disabilities learn on the job. Employers make the on-the-job accommodations required to facilitate gainful employment. The disability community has made building bridges with employers a priority.

Supported employment and natural supports, for example, adopt a "place-train" approach to employment. Prior to employment, the job coach works with the employer to analyze job requirements and identify needed accommodations. Once the employee has been hired, the job coach needs access to the worksite to help the person with a disability learn on the job and to facilitate supports among co-workers. Without the support of the employer, this would not be possible. Similarly, specialized job search/placement, as depicted by the Projects with Industry program, recognizes business as a full partner in the process. Each project has a Business Advisory Council, which is responsible for identifying job availability in the community, identifying the skills needed to perform the jobs, prescribing training programs to develop the appropriate skills, and providing job placement and career advancement services.

Many welfare agencies have begun to establish strong relationships with employers. Building these relationships will be particularly important in helping clients who face significant challenges in their efforts to sustain employment.

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APPENDIX A

Income Security Programs

Social Security Disability Insurance (DI)

Target Population: The federal Social Security Disability Insurance (DI) program was created to insure workers against loss of income due to a disabling physical or mental health condition.

Administering Agency: Social Security Administration (SSA).

Eligibility Rules: Disability determinations are generally made by state agencies that are funded to perform this function by SSA. A person must have worked and paid Social Security taxes (FICA) for enough years to be covered under DI.[72]

Disability, under the DI program, is defined as the inability to engage in substantial gainful activity (SGA) due to physical or mental impairment. SGA is measured by earnings, currently set at $700 a month. The physical or mental impairment must be medically determinable and expected to last for not less than 12 months or result in death. To receive DI benefits, an applicant must first demonstrate that he or she has been earning below the SGA threshold for at least five consecutive months.[73] This, along with proof of a medically determined impairment and consistent and recent work history, allows an individual to become eligible for benefits (U.S. House of Representatives, 1998).

Cash Benefits Paid: The payment amount for a worker is based on his or her lifetime average earnings covered by Social Security. The average monthly benefit for a worker with a disability is $775.

Other Benefits: Medicare coverage begins for DI beneficiaries after they have been on the DI rolls for 24 months.

Caseload Data: In January 2000, there were 5.8 million beneficiaries: 4.9 million disabled workers, 720,000 disabled adult children, and 200,000 disabled widows and widowers (SSA, 2000a).

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[72] An individual must have worked in employment subject to Social Security contributions for about one fourth of the time elapsing after age 21 and up to the year of disability. In addition, he/she must have recent covered work equivalent to five of the preceding 10 years. A worker who has worked in employment subject to Social Security contributions for 10 years or more is fully insured for life (U.S. House of Representatives, 1998).

[73] Under current regulations, in most cases if a person is earning more than $700 a month (net of impairment-related work expenses), he will be considered to be engaging in SGA. The SGA earnings guideline was increased from $500 to $700 on July 1, 1999.

Supplemental Security Income (SSI)

Target Population: The federal Supplemental Security Income (SSI) program provides basic monthly cash income to people age 65 and older and to blind and people with disabilities of any age who have limited income. This means-tested program replaced the former federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in 50 states and the District of Columbia (SSA, 1998).

Administering Agency: Social Security Administration (SSA).

Eligibility Rules: To be eligible for SSI, an individual must meet one of the following: Blind (corrected vision of 20/200 or less or field vision less than 20 degrees), physical or mental impairment that keeps a person from performing any "substantial" work and is expected to last 12 months or result in death, a child whose impairment results in "marked and severe functional limitations" and must be expected to last 12 months or result in death. Resource limits are $2,000 for single adults or children and $3,000 for couples.

Cash Benefits Paid: As of January 2000, individuals eligible for SSI can receive a maximum monthly federal cash payment of $512 ($769 for a couple if both members are eligible) (Federal Register, 1999). Legislation that created the SSI program allows individual states to supplement the federal payment.

Other Benefits: SSI-eligible individuals are also eligible for Medicaid, Food Stamps, and Medicare premiums.

Caseload Data: In January 2000, there were 6.6 million SSI recipients. Of these, 1.3 million were elderly and 5.3 million disabled (SSA, 2000b).

Temporary Assistance for Needy Families (TANF)

Target Population: Low-income families with children.

Administering Agency: The Department of Health and Human Services provides TANF block grants to the states.[74] State welfare departments administer the grants.[75]

Eligibility Rules: States decide what categories of families to assist.[76] They may use TANF funds in any manner "reasonably calculated to accomplish the purposes of TANF," which are to:

- provide assistance to families so that children can be cared for in their own homes,
- reduce dependency by promoting job preparation, work, and marriage,
- prevent non-marital pregnancies, and
- encourage formation and maintenance of two-parent families.

States can also choose to aid two-parent families.

States cannot use Federal TANF funds to assist certain categories of people, including:

- unmarried mothers under age 18 unless they live in the home of an adult relative or in a supervised setting;
- unmarried mothers under age 18 without a high school diploma unless they attend school;
- aliens who entered the U.S. after PRWORA became law;[77]
- persons convicted of a drug-related felony after PRWORA became law; and
- people who misrepresent residence to obtain fraudulently food stamps, TANF, SSI, or Medicaid.[78]

Work Requirements: States must require parents to engage in work activities after 24 months of benefit receipt. States can require participation at an earlier time. In addition, unless a state opts out, beneficiaries must participate in community service after two months of

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[74] States are also required to maintain their own spending at the level of at least 80% of their FY 1994 expenditures.

[75] Source of TANF information is U.S. House of Representatives (1998).

[76] Under Aid to Families with Dependent Children (AFDC), the statute defined eligible families and required states to assist such families so long as their incomes fell below state-set thresholds (U.S. House of Representatives, 1998).

[77] Barred from eligibility for five years. After that time, states have option of providing benefits.

[78] Barred from eligibility for 10 years.

benefit receipt.[79] States are not required to exempt anyone from the work mandate, but they can exempt single parents with children under age one. The law defines work activities as:

- unsubsidized employment,
- subsidized private or public sector employment,
- work experience,
- on-the-job training,
- job search and job readiness assistance for a maximum 6 weeks,
- community service,
- vocational education training for a maximum 12 months,
- job skills training directly related to employment,
- education directly related to employment for recipients without a high school diploma/GED,
- satisfactory attendance in secondary school, or
- provision of child care services to a TANF recipient participating in community service.

The number of hours a recipient must be engaged in a work activity increased from 20 hours during FY 1997 and 1998 to 25 hours during FY 1999 and 30 hours during FY 2000 and years thereafter.

Cash Benefits Paid: Varies by state. The benefit for a single parent with two children ranges from $923 per month in Alaska to $120 per month in Mississippi.[80] Federal benefits are limited to 60 months. States can opt to provide benefits from their own funds beyond 60 months.

Other Benefits: States must provide Medicaid benefits to adults and children who would have been eligible for AFDC on July 16, 1996. TANF recipients are automatically eligible for food stamps.[81]

Caseload Data: In December 1999, there were 6.3 million TANF recipients and 2.3 million families. This represents 47% and 49% declines, respectively, in recipients and families since PRWORA was signed into law.

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[79] Single parents with children under age six who cannot secure child care are exempted from this requirement.

[80] 1997.

[81] States can opt to operate a "simplified food stamp program" under which they apply TANF rules to the determination of food stamps.

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